



Budget

2016-17

Portfolio Budget Statements 2016-17
Budget related paper No. 1.13

Infrastructure and Regional
Development Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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Senator the Hon Fiona Nash
Minister for Regional Development
Minister for Regional Communications
Minister for Rural Health
Deputy Leader of The Nationals

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2016-17 Budget for the Infrastructure and Regional Development portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Fiona Nash'.

FIONA NASH

Abbreviations and conventions

The following notations may be used:

na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

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Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website <www.budget.gov.au> or on the Department of Infrastructure and Regional Development website <www.infrastructure.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2016-17 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2016-17. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

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PORTFOLIO OVERVIEW

INFRASTRUCTURE AND REGIONAL DEVELOPMENT PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Infrastructure and Regional Development portfolio contributes to the well-being of all Australians through the following outcomes.

Department of Infrastructure and Regional Development (the Department)

- *Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.*
- *Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.*
- *Outcome 3: Strengthening the sustainability, capacity and diversity of regional economies including through facilitating local partnerships between all levels of government and local communities; and providing grants and financial assistance.*
- *Outcome 4: Good governance in the Australian territories through the maintenance and improvement of the overarching legislative framework for self-governing territories, and laws and services for non-self-governing territories.*

Australian Maritime Safety Authority (AMSA)

- *Outcome 1: Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.*

Australian Transport Safety Bureau (ATSB)

- *Outcome 1: Improved transport safety in Australia including through: independent 'no blame' investigation of transport accidents and other safety occurrences; safety data recording, analysis and research; and fostering safety awareness, knowledge and action.*

Civil Aviation Safety Authority (CASA)

- *Outcome 1: Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.*

Infrastructure Australia (IA)

- *Outcome 1: Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation.*

National Capital Authority (NCA)

- *Outcome 1: Manage the strategic planning, promotion and enhancement of Canberra as the National Capital for all Australians through the development and administration of the National Capital Plan; operation of the National Capital Exhibition; delivery of education and awareness programs; and works to enhance the character of the National Capital.*

National Transport Commission (NTC)

- *Outcome 1: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.*

Airservices Australia (AA) is also an entity within the Infrastructure and Regional Development portfolio. However, as AA does not receive funding (directly or indirectly) through the annual appropriation acts, they do not produce Portfolio Budget Statements.

The Department is accountable to: the Minister for Regional Development, Senator the Hon Fiona Nash; the Minister for Infrastructure and Transport, the Hon Darren Chester MP; and the Minister for Major Projects, Territories and Local Government, the Hon Paul Fletcher MP.

The Department provides policy advice to the ministers and undertakes policy and regulatory functions and the delivery of administered items on behalf of the Australian Government.

AA's primary function is to provide air navigation and aviation rescue firefighting services for the aviation industry and community.

AMSA is the national regulator for domestic commercial vessels and the national safety entity responsible for maritime safety, protection of the marine environment, and aviation and maritime search and rescue.

ATSB's primary function is to improve aviation, maritime and rail safety, underpinned by the *Transport Safety Investigation Act 2003*.

CASA's primary function is to conduct the safety regulation of civil air operations in Australia and the operation of Australian aircraft overseas.

IA's statutory function is to deliver high quality advice on the nationally significant infrastructure needs of Australia.

NCA's statutory function is to manage the Australian Government's interest in the strategic planning, promotion, development and enhancement of Canberra as the National Capital.

NTC's primary function is to improve the productivity, safety and environmental performance of Australia's road, rail and intermodal transport system.

Further details on the goals, operations and operating environments of the Department, AA, AMSA, ATSB, CASA, IA, NCA and NTC can be found either in the entity specific sections of the PB Statements or on the respective entity websites.

Department of Infrastructure and Regional Development <www.infrastructure.gov.au>

Airservices Australia <airservicesaustralia.com>

Australian Maritime Safety Authority <www.amsa.gov.au>

Australian Transport Safety Bureau <www.atsb.gov.au>

Civil Aviation Safety Authority <www.casa.gov.au>

Infrastructure Australia <www.infrastructureaustralia.gov.au>

National Capital Authority <www.nationalcapital.gov.au>

National Transport Commission <www.ntc.gov.au>

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4 – Agency Resourcing*.

Figure 1: Infrastructure and Regional Development portfolio structure and outcomes



Figure 1: Infrastructure and Regional Development portfolio structure and outcomes (continued)

<p style="text-align: center;">Civil Aviation Safety Authority</p> <p style="text-align: center;">Chair: Jeffrey Boyd Director of Aviation Safety: Mark Skidmore AM</p> <p>Outcome 1: Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.</p>
<p style="text-align: center;">Infrastructure Australia</p> <p style="text-align: center;">Chair: Mark Birrell Chief Executive Officer: Philip Davies</p> <p>Outcome 1: Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation.</p>
<p style="text-align: center;">National Capital Authority</p> <p style="text-align: center;">Chair: Terry Weber Chief Executive Officer: Malcolm Snow</p> <p>Outcome 1: Manage the strategic planning, promotion and enhancement of Canberra as the National Capital for all Australians through the development and administration of the National Capital Plan, operation of the National Capital Exhibition, delivery of education and awareness programs and works to enhance the character of the National Capital.</p>
<p style="text-align: center;">National Transport Commission</p> <p style="text-align: center;">Chair: David Anderson PSM Chief Executive Officer and Commissioner: Paul Retter AM</p> <p>Outcome 1: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.</p>

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Department of Infrastructure and Regional Development

Entity resources and planned performance

Department of Infrastructure and Regional Development

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DEPARTMENT OF INFRASTRUCTURE AND REGIONAL DEVELOPMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In accordance with the four outcomes outlined in the Portfolio Overview, the Department is responsible for the following programs:

- Program 1.1: Infrastructure investment;
- Program 2.1: Transport security;
- Program 2.2: Surface transport;
- Program 2.3: Road safety;
- Program 2.4: Air transport;
- Program 3.1: Regional development;
- Program 3.2: Local government; and
- Program 4.1: Services to territories.

Each of our programs link to one or more of our purposes:

- promote, evaluate, plan and invest in infrastructure and regional development;
- foster an efficient, sustainable, competitive, safe and secure transport system;
- facilitate local partnerships between all levels of government and local communities; and
- provide good governance in the Australian territories.

Section 2 of this document ('Outcomes and Planned Performance') maps our programs to our purposes and includes detailed performance information for each program.

As Australia's population and economy grow over the coming decades, new opportunities and challenges will emerge for the country's infrastructure and transport sectors, as well as for our regions. The need to ensure Australia's infrastructure and transport systems attract the investment needed for a fully functioning, efficient and productive economy that also strengthens outcomes for Australia's regions provides a key focus for the Department.

The Department's programs are designed to meet challenges such as the need to enhance our productivity in order to maintain living standards, the growing demand for infrastructure and transport, the structural changes affecting the transport industries, and the increasing complexity of demographic and economic changes affecting our regions.

The Department supports the Australian Government to respond to the opportunities and challenges presented by Australia's projected economic and demographic changes. Its work is guided by the increasing pressures on infrastructure and transport systems; the need to strengthen outcomes for Australia's regions; the importance of a safe, secure and efficient transport system; and the need for our investments in infrastructure to be efficient and sustainable. The portfolio has a strong economic investment focus – a focus that is critical to the economic development of all regions to meet the growth and development challenges the nation faces.

The Department is at the forefront of the Australian Government's efforts to strengthen Australia's economic future and improve living standards, particularly through

infrastructure planning and strategic investment in transport infrastructure, transport system reform, regulation of safety and security and strategic development of policies and programs. The Department also assists regions and local communities to strengthen and diversify their economic base and provides non-self-governing territories with community services and capital investment. Throughout 2016–17 the portfolio will also continue supporting industry and the community by continuously monitoring aviation transport, maritime transport, and offshore facility security regulatory regimes.

As the Department works to achieve its outcomes, it will continue to be guided by its strategic vision: having a view on the right outcome; driving policy reform; leading program and project delivery; regulating effectively; being a leading Australian entity for investment strategy and planning; and fostering a high performing workforce.

For more information on the Department's strategic direction, please refer to the 2015-16 Corporate Plan at www.infrastructure.gov.au/department/about/corporate-plan.aspx.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Department for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the Department's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Infrastructure and Regional Development resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	103,776	118,697
Departmental appropriation	261,691	265,767
s74 retained revenue receipts (c)	11,958	6,931
Departmental capital budget (d)	3,201	11,491
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available (b)	23,416	-
<i>Total departmental annual appropriations</i>	<i>404,042</i>	<i>402,886</i>
Total departmental resourcing	404,042	402,886
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	41,915	-
Outcome 1	155,198	205,097
Outcome 2	231,146	285,160
Outcome 3	253,215	391,065
Outcome 4	123,079	114,555
Administered capital budget (f)	16,761	23,589
Payments to corporate entities (g)	116,180	122,801
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available (b)	15,000	-
Administered assets and liabilities	2,310,000	96,108
Annual appropriations - other services - specific payments to States, ACT, NT and local government (e)		
Outcome 1	1,002,234	815,077
Outcome 3	17,400	13,000
<i>Total administered annual appropriations</i>	<i>4,282,128</i>	<i>2,066,452</i>

Table 1.1: Department of Infrastructure and Regional Development resource statement - Budget estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Administered (continued)		
<i>Total administered special appropriations (h)</i>	<i>1,454,094</i>	<i>2,602,470</i>
Special accounts (h)		
Appropriation receipts	71,002	71,002
Non-appropriation receipts	30,976	494,625
<i>Total special accounts receipts</i>	<i>101,978</i>	<i>565,627</i>
<i>Less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>71,002</i>	<i>71,002</i>
<i>Less payments to corporate entities from annual/special appropriations</i>	<i>353,933</i>	<i>364,442</i>
Total administered resourcing	5,909,202	5,305,551
Total resourcing	6,313,244	5,708,437
	2015-16	2016-17
Average staffing level (number)	1,135	1,130

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive - these may not match figures in the cash flow statement.

Notes:

- (a) Appropriation Bill (No. 1) 2016-17.
- (b) Includes unspent appropriations available from prior years. Excludes amounts subject to quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2016-17.
- (f) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (g) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.
- (h) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Third party payments from and on behalf of other entities

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 retained revenue receipts section above)		
Australian Transport Safety Bureau	2,717	2,610
Payments made by other entities on behalf of the Department (disclosed above within administered appropriations)		
Department of Human Services (a)	188,150	217,895
Payments made to corporate entities within the portfolio		
AMSA		
Appropriation Bill (No. 1) 2016-17	58,650	65,512
<i>Australian Maritime Safety Authority Act 1990 - s48(2)</i>	116,834	120,228
CASA		
Appropriation Bill (No. 1) 2016-17	42,461	42,350
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988 - s4(4)</i>	116,577	121,413
IA		
Appropriation Bill (No. 1) 2016-17	11,768	11,581
<i>Infrastructure Australia Amendment Act 2014</i>	4,342	-
NTC		
Appropriation Bill (No. 1) 2016-17	3,301	3,358

Notes:

- (a) Payments relate to the *Bass Strait Passenger Vehicle Equalisation Scheme* and *Tasmanian Freight Equalisation Scheme* administered items.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures						
Delivery of Inland Rail	1.1					
Administered expenses		-	(1,847)	(1,188)	-	-
Departmental expenses		-	1,847	1,188	-	-
Total		-	-	-	-	-
Infrastructure Investment Programme - efficiencies	1.1					
Administered expenses		-	(3,800)	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	(3,800)	-	-	-
Infrastructure Investment Programme - new investments (a)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Road Safety Remuneration Tribunal - abolition	2.2					
Administered expenses		-	3,852	3,883	3,913	3,944
Departmental expenses		-	-	-	-	-
Total		-	3,852	3,883	3,913	3,944
Keys2drive - additional funding	2.3					
Administered expenses		-	4,000	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	4,000	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Notes:

- (a) The fiscal impact for this measure is reported by the Department of the Treasury for payments to and through states and territories for National Partnership payments. Refer to the Department of the Treasury's Portfolio Budget Statements (Program 1.9).

Table 1.2: Entity 2016-17 Budget measures (continued)

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures (continued)						
Western Sydney Airport - further preparatory works	2.4					
Administered expenses		-	1,720	1,341	-	-
Departmental expenses		-	52,765	37,547	-	-
Total		-	54,485	38,888	-	-
Total expense measures						
Administered		-	3,925	4,036	3,913	3,944
Departmental		-	54,612	38,735	-	-
Total		-	58,537	42,771	3,913	3,944
Capital measures						
Delivery of Inland Rail	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	-	-	-	-
Total		-	-	-	-	-
Western Sydney Airport - further preparatory works	2.4					
Administered capital		-	11,108	10,598	-	-
Departmental capital		-	-	-	-	-
Total		-	11,108	10,598	-	-
Total capital measures						
Administered		-	11,108	10,598	-	-
Departmental		-	-	-	-	-
Total		-	11,108	10,598	-	-

Prepared on a Government Financial Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 1.2: Entity 2016-17 Budget measures (continued)

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for the Department.

Section 2: Outcomes and planned performance

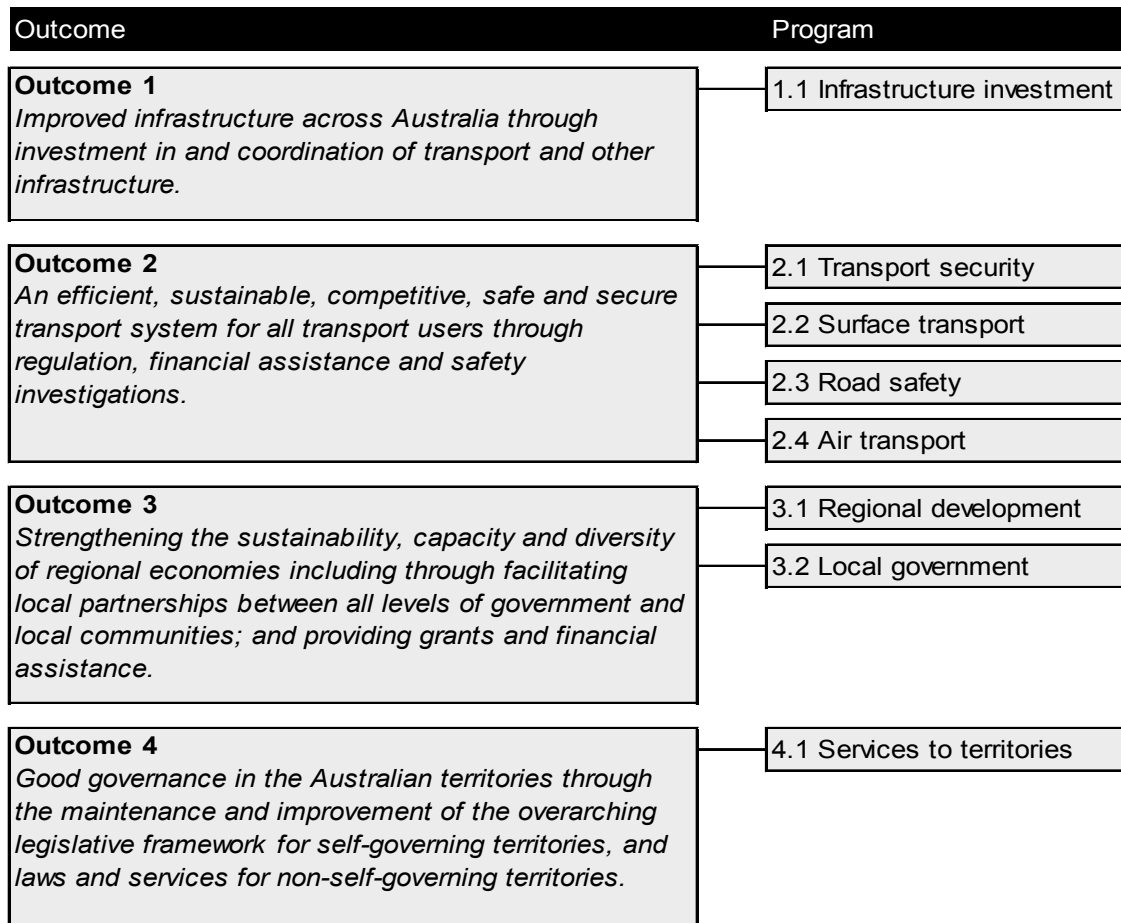
Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports from October 2016 – to provide an entity’s complete performance story.

Figure 2.1: Outcome and program structure



2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.

Linked programs

The Department of the Treasury
Programs
<ul style="list-style-type: none"> Program 1.9: National Partnership Payments to the states.
Contribution to Outcome 1 made by linked programs
The above linkage relates to National Partnership Payments which are paid through the Department of the Treasury as part of the Federal Financial Relations Framework.

Budgeted expenses for Outcome 1

The table below shows how much the Department intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Infrastructure investment					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	97,866	205,297	130,763	19,179	10,212
Other Services (Appropriation Bill No. 2)	1,002,234	815,077	699,630	364,486	399,788
Special Appropriations					
<i>Building Australia Fund (b)</i>	-	-	66,750	-	-
<i>Infrastructure Australia Amendment Act 2014 (a)</i>	4,342	-	-	-	-
Special Accounts					
BAF Infrastructure Portfolio Special Account	6,920	122,600	-	-	-
Payments to corporate entities (a)	11,768	11,581	8,781	8,828	8,888
Expenses not requiring appropriation in the Budget year (c)	6,862	148,693	158,573	111,890	8,836
Total administered expenses	1,129,992	1,303,248	1,064,497	504,383	427,724
Departmental expenses					
Departmental appropriation	32,429	32,079	28,248	25,846	26,440
s74 retained revenue receipts (d)	353	203	208	210	212
Expenses not requiring appropriation in the Budget year (e)	2,144	2,186	1,398	1,251	1,177
Total departmental expenses	34,926	34,468	29,854	27,307	27,829
Total expenses for Program 1.1	1,164,918	1,337,716	1,094,351	531,690	455,553

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	97,866	205,297	130,763	19,179	10,212
Other Services (Appropriation Bill No. 2)	1,002,234	815,077	699,630	364,486	399,788
Special Appropriations	4,342	-	66,750	-	-
Special Accounts	6,920	122,600	-	-	-
Payments to corporate entities (a)	11,768	11,581	8,781	8,828	8,888
Expenses not requiring appropriation in the Budget year (c)	6,862	148,693	158,573	111,890	8,836
Total administered expenses	1,129,992	1,303,248	1,064,497	504,383	427,724
Departmental expenses					
Departmental appropriation	32,429	32,079	28,248	25,846	26,440
Section 74 retained revenue receipts (d)	353	203	208	210	212
Expenses not requiring appropriation in the Budget year (e)	2,144	2,186	1,398	1,251	1,177
Total departmental expenses	34,926	34,468	29,854	27,307	27,829
Total expenses for Outcome 1	1,164,918	1,337,716	1,094,351	531,690	455,553
Movement of administered funds between years (f)					
	2015-16	2016-17	2017-18	2018-19	2019-20
Outcome 1:					
Program 1.1: Infrastructure investment	55,577	(37,492)	(20,176)	(4,991)	(10,212)
Total movement of administered funds between years	55,577	(37,492)	(20,176)	(4,991)	(10,212)
Average staffing level (number)					
	2015-16	2016-17			
	176	175			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Relates to appropriation for corporate entities which is provided through the Department.
- (b) The legislation for this item is yet to be finalised.
- (c) Administered expenses not requiring appropriation in the Budget year comprises expenses relating to prepayments associated with prior year payments, accruals and other non-cash expenses.
- (d) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (e) Departmental expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and expenses that are reduced by associated receipts.
- (f) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.1.2: Program components for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Components for program 1.1: Infrastructure investment					
Annual administered expenses (a)					
Infrastructure Investment Program					
- <i>Investment</i> (b)	83,395	200,817	130,393	18,994	10,000
- <i>Roads to Recovery</i>	652,762	815,500	700,000	364,671	400,000
- <i>Off-Network Supplementary</i>	2,975	-	-	-	-
Infrastructure Growth Package					
- <i>Roads to Recovery</i>	350,000	-	-	-	-
Building our Future campaign	13,943	4,057	-	-	-
WestConnex Stage 2 - provision of a concessional loan	8,229	148,693	158,573	111,890	8,836
Payments to corporate entities (c)					
- Infrastructure Australia	11,768	11,581	8,781	8,828	8,888
Special Appropriation expenses					
<i>Building Australia Fund</i> (d)	-	-	66,750	-	-
Special Account expenses					
Plan for the Future (BAF Infrastructure Portfolio Special Account) (e)	6,920	122,600	-	-	-
Program support	34,926	34,468	29,854	27,307	27,829
Total program expenses	1,164,918	1,337,716	1,094,351	531,690	455,553

Notes:

- (a) Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury for the *Infrastructure Investment Program* (*Black Spot projects, Bridges Renewal Program, Heavy Vehicle Safety and Productivity, Northern Australia – improving cattle supply chains and Northern Australia Road projects*) and *Infrastructure Growth Package* (*New Investments, Black Spot projects and Western Sydney Infrastructure Plan*) administered items. Also excludes expenses relating to prepayments reported by the Department of the Treasury associated with prior year payments made to and through the states and territories for the *Improving the National Network* administered item.
- (b) Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury.
- (c) Relates to appropriation for corporate entities which is provided through the Department.
- (d) The legislation for this item is yet to be finalised.
- (e) Expenses relate to funds transferred from the Special Account to the Department of the Treasury for payments to and through the states and territories for *Building Australia Fund* infrastructure projects.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.		
Program 1.1 – The Infrastructure Investment Program contributes to Outcome 1 by ensuring improved infrastructure across Australia through increasing the efficiency and safety of Australia's land transport infrastructure while strengthening the Australian economy.		
Delivery	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • contribute to improved transport infrastructure decision-making and delivery through sound management and partnered decision-making with other jurisdictions, including through undertaking cost estimate, assurance and compliance reviews; • advise on potential projects to be funded under the Infrastructure Investment Program; • advise on transport planning and potential projects to inform future infrastructure investment; • implement and deliver a range of land transport investment administered items as part of the Infrastructure Investment Program, and through the Australian Rail Track Corporation and the Moorebank Intermodal Company Limited; • implement and deliver the program of works for land transport infrastructure priorities for funding under the Infrastructure Investment Program, including examining opportunities for alternative funding and financing approaches; • continue to work with states and territories to improve freight and port productivity; and • continue work on national transport planning including, in consultation with the eastern states and the Australian Capital Territory, consideration of the role which high speed rail could play—as part of a range of options, across transport modes—in addressing long term transport challenges. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Australian land transport networks are safer.</p> <p>Australian land transport networks are more efficient.</p> <p>States, territories and local governments are appropriately funded for infrastructure investment projects.</p> <p><i>Expected achievement:</i></p> <p>Projects continue to be funded under the Australian Government's Infrastructure Investment Program, aimed at increasing safety. As at 31 March 2016, 1,781 projects have been completed for 2015-16, and a further 4,891 are on track to be delivered. This program includes administered items such as the Black Spot, Roads to Recovery, Heavy Vehicle Safety and Productivity and Bridges Renewal Programs which all aim to increase the safety and efficiency of the nation's roads and rail network.</p>	<p>Payments are within 5 per cent of forecast.</p> <p><i>Expected achievement:</i></p> <p>Project delivery milestones are achieved and payments will be made within 5 per cent of the funding allocated for 2015-16.</p>

Table 2.1.3: Performance criteria for Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2016-17	Australian land transport networks are safer. Australian land transport networks are more efficient.	Project milestones are met; payments approved to states, territories and local governments for infrastructure investment projects which aim to increase safety and efficiency and are within 5 per cent of forecast.
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	Promote, evaluate, plan and invest in infrastructure and regional development.	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 1.1. 		

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.

Linked programs

The Department of Human Services
Programs <ul style="list-style-type: none"> • Program 1.1: Services to the Community - Social Security and Welfare.
Contribution to Outcome 2 made by linked programs <p>The above linkage relates to payments made by the Department of Human Services on behalf of the Department for the Bass Strait Passenger Vehicle Equalisation Scheme and the Tasmanian Freight Equalisation Scheme.</p>

Budgeted expenses for Outcome 2

The table below shows how much the Department intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 2.1: Transport security					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	997	997	997	997	1,015
Total administered expenses	997	997	997	997	1,015
Departmental expenses					
Departmental appropriation	64,023	65,110	65,981	64,854	66,298
s74 retained revenue receipts (a)	1,416	1,114	1,123	1,126	1,130
Expenses not requiring appropriation in the Budget year (b)	4,053	4,136	2,844	2,539	2,391
Total departmental expenses	69,492	70,360	69,948	68,519	69,819
Total expenses for Program 2.1	70,489	71,357	70,945	69,516	70,834

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 2.2: Surface transport					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	188,515	222,127	224,276	226,546	228,837
Special Appropriations					
<i>Australian Maritime Safety Authority Act 1990 (c)</i>	116,834	120,228	127,001	130,486	131,236
<i>Protection of the Sea (Oil Pollution Compensation Funds) Act 1993</i>	1,000	1,000	1,000	1,000	1,000
<i>Public Governance, Performance and Accountability Act 2013</i>	50	50	50	50	50
Special Accounts					
Interstate Road Transport Account	71,002	71,002	71,002	71,002	71,002
Payments to corporate entities (c)	61,951	68,870	73,930	75,305	77,112
Expenses not requiring appropriation in the Budget year (d)	(996)	278	320	(210)	50
Total administered expenses	438,356	483,555	497,579	504,179	509,287
Departmental expenses					
Departmental appropriations	15,216	14,647	14,163	13,896	14,115
s74 retained revenue receipts (a)	1,335	552	154	155	156
Expenses not requiring appropriation in the Budget year (b)	(148)	582	673	602	567
Total departmental expenses	16,403	15,781	14,990	14,653	14,838
Total expenses for Program 2.2	454,759	499,336	512,569	518,832	524,125
Program 2.3: Road safety					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	4,000	4,000	-	-	-
Total administered expenses	4,000	4,000	-	-	-
Departmental expenses					
Departmental appropriations	19,374	18,592	17,799	17,455	17,883
s74 retained revenue receipts (a)	304	210	214	215	216
Expenses not requiring appropriation in the Budget year (b)	1,240	1,266	868	777	731
Total departmental expenses	20,918	20,068	18,881	18,447	18,830
Total expenses for Program 2.3	24,918	24,068	18,881	18,447	18,830

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 2.4: Air transport					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	37,634	58,036	42,754	26,555	19,092
Special Appropriations					
Aviation Fuel Revenues (Special Appropriation) Act 1988 (c)	116,577	121,413	125,547	129,447	132,714
Public Governance, Performance and Accountability Act 2013	100	100	100	100	100
Special Accounts					
Melbourne Airport New Runway Land Acquisition Special Account	-	10,000	-	-	-
Payments to corporate entities (c)	42,461	42,350	42,311	42,311	42,247
Expenses not requiring appropriation in the Budget year (d)	1,765	287	(47)	(47)	686
Total administered expenses	198,537	232,186	210,665	198,366	194,839
Departmental expenses					
Departmental appropriation	86,661	93,133	75,948	32,555	33,242
s74 retained revenue receipts (a)	8,032	4,591	4,251	4,333	4,417
Expenses not requiring appropriation in the Budget year (b)	(3,295)	(63)	(409)	(619)	(754)
Total departmental expenses	91,398	97,661	79,790	36,269	36,905
Total expenses for Program 2.4	289,935	329,847	290,455	234,635	231,744
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	231,146	285,160	268,027	254,098	248,944
Special Appropriations	234,561	242,791	253,698	261,083	265,100
Special Accounts	71,002	81,002	71,002	71,002	71,002
Payments to corporate entities (c)	104,412	111,220	116,241	117,616	119,359
Expenses not requiring appropriation in the Budget year (d)	769	565	273	(257)	736
Total administered expenses	641,890	720,738	709,241	703,542	705,141
Departmental expenses					
Departmental appropriation	185,274	191,482	173,891	128,760	131,538
s74 retained revenue receipts (a)	11,087	6,467	5,742	5,829	5,919
Expenses not requiring appropriation in the Budget year (b)	1,850	5,921	3,976	3,299	2,935
Total departmental expenses	198,211	203,870	183,609	137,888	140,392
Total expenses for Outcome 2	840,101	924,608	892,850	841,430	845,533

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

Movement of administered funds between years (e)	2015-16	2016-17	2017-18	2018-19	2019-20
Outcome 2:					
Program 2.4: Air transport	(32,900)	19,665	13,235	-	-
Total movement of administered funds between years	(32,900)	19,665	13,235	-	-
	2015-16	2016-17			
Average staffing level (number)	734	731			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) Departmental expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and expenses that are reduced by associated receipts.
- (c) Relates to appropriation for corporate entities which is provided through the Department.
- (d) Administered expenses not requiring appropriation in the Budget year relate to depreciation and amortisation expenses and accruals.
- (e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.2.2: Program components for Outcome 2

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Components for program 2.1: Transport security					
Annual administered expenses					
Aviation security enhancements					
- <i>improving international aviation security</i>	23	23	23	23	23
- <i>regional and remote airports security awareness</i>	974	974	974	974	992
Program support	69,492	70,360	69,948	68,519	69,819
Total program expenses	70,489	71,357	70,945	69,516	70,834
Components for program 2.2: Surface transport					
Annual administered expenses					
Bass Strait Passenger Vehicle Equalisation Scheme	46,200	47,300	48,400	49,600	50,800
International Maritime Organization - contribution	303	315	315	320	326
National Heavy Vehicle Regulator	-	3,852	3,883	3,913	3,944
OECD Road Transport - contribution	62	65	69	73	77
Tasmanian Freight Equalisation Scheme	141,950	170,595	171,609	172,640	173,690
Payments to corporate entities (a)					
- Australian Maritime Safety Authority	58,650	65,512	70,490	71,782	73,503
- National Transport Commission	3,301	3,358	3,440	3,523	3,609
Special Appropriation expenses					
<i>Australian Maritime Safety Authority Act 1990 (a)</i>	115,888	120,556	127,371	130,326	131,336
<i>Protection of the Sea (Oil Pollution Compensation Funds) Act 1993</i>	1,000	1,000	1,000	1,000	1,000
Special Account expenses					
Interstate Road Transport Account	71,002	71,002	71,002	71,002	71,002
Program support	16,403	15,781	14,990	14,653	14,838
Total program expenses	454,759	499,336	512,569	518,832	524,125
Components for program 2.3: Road safety					
Annual administered expenses					
keys2drive	4,000	4,000	-	-	-
Program support	20,918	20,068	18,881	18,447	18,830
Total program expenses	24,918	24,068	18,881	18,447	18,830

Table 2.2.2: Program components for Outcome 2 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Components for program 2.4: Air transport					
Annual administered expenses					
Airport Lessee Companies - reimbursement of parking fines	634	1,000	1,000	1,000	1,000
Hobart International Airport runway extension - contribution	2,165	22,000	13,235	-	-
Implementation of noise amelioration for Adelaide Airport	2,136	-	-	-	-
International Civil Aviation Organization - contribution	1,940	2,303	2,417	2,603	2,803
Payment scheme for Airservices Australia's en route charges	2,000	2,000	2,000	2,000	2,000
Regional Aviation Access	20,507	24,113	22,761	20,952	13,289
Sydney West Airport - site management (a)	8,252	6,620	1,341	-	-
Payments to corporate entities (b) - Civil Aviation Safety Authority	42,461	42,350	42,311	42,311	42,247
Depreciation and amortisation	1,242	-	-	-	-
Special Appropriation expenses					
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988 (b)</i>	117,200	121,800	125,600	129,500	133,500
Special Account expenses					
Melbourne Airport New Runway Land Acquisition Special Account	-	10,000	-	-	-
Program support	91,398	97,661	79,790	36,269	36,905
Total program expenses	289,935	329,847	290,455	234,635	231,744

Notes:

- (a) Previously titled *Sydney West Airport – rental properties*. The change in title better reflects the current purpose of the program.
- (b) Relates to appropriation for corporate entities which is provided through the Department.

Table 2.2.3: Performance criteria for Outcome 2

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 2 – An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.</p>		
<p>Program 2.1 – The transport security program contributes to Outcome 2 by ensuring a viable and sustainable transport security system in Australia through regulation designed collaboratively with industry and government entities. The aim is to ensure flexible and proportionate regulation that delivers measurable benefits. In doing so, we ensure that the transport security regulatory model operates efficiently and effectively.</p>		
<p>Delivery</p>	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • support industry and the community by continuously reviewing aviation transport, maritime transport, and offshore facility security regulatory regimes; • work with industry to maintain a strong, comprehensive approach to transport and offshore facility security; • work with international partners to shape the transport security environment and build capacity overseas to mitigate security risks to Australia; and • undertake inquiries through the Inspector of Transport Security as directed by the Minister. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<p>Action is taken by the Government to mitigate against new or emerging risks, where they are identified.</p> <p><i>Expected achievement:</i></p> <p>Engagement continues with Australian Government counterparts informing industry stakeholders about threat information relevant to their operations, and improved information products about threat and risk will begin to be delivered.</p> <p>Contingency planning for a changed threat is well advanced with major airports and airlines, and similar planning has commenced for regional airports and airlines.</p> <p>The regulatory framework continues to be monitored and maintained to ensure it operates in a robust manner, with regulatory amendments to strengthen the security of air cargo exports to the United States is introduced into Parliament, as well as to strengthen airside screening arrangements. Legislation is amended to extend security identification schemes to include serious and organised crime.</p> <p>New and emerging risks continue to be addressed through risk led compliance activities, including Last Port of Call assessments; twenty will be completed.</p> <p>Regulated industry participants remain well informed through regular briefings that are held in cooperation with the Australian Security Intelligence Organisation.</p>	<p>As per the 2015-16 PB Statements.</p>

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Collaboration with industry ensures that policy and regulatory frameworks are efficient and effective.</p> <p><i>Expected achievement:</i> Ongoing collaboration through regular industry forums has been maintained to focus on the improvement and co-design of policy and regulatory frameworks, and responding to emerging issues.</p> <p>International and domestic engagement influences and shapes policy and future developments.</p> <p><i>Expected achievement:</i> Participation in key international forums to influence international policy settings continues. Key forums are the Asia-Pacific Economic Cooperation Transport Working Group, International Civil Aviation Organization Aviation Security Panel and QUAD – (Australia, Canada, United States and the European Commission).</p> <p>The Department will participate in Asia-Pacific Economic Cooperation Transportation Working Group meetings in April 2016 to facilitate transport supply chain connectivity, and influence improvements to transport safety and security in the Asia Pacific region.</p> <p>A bilateral agreement to streamline baggage screening processes with Dubai and the United Kingdom is anticipated to be finalised.</p> <p>The Last Port of Call program has been reviewed and it is anticipated that implementation of recommendations will be underway.</p> <p>Communication with regulated entities is clear, targeted and effective.</p> <p><i>Expected achievement:</i> Focus continues to be placed on ensuring information is useful for regulated industry participants and revised internet content has been developed about transport security.</p> <p>The guidance provided to regulated entities to assist in meeting regulatory requirements has been updated.</p> <p>Collaboration on the review and development of key policy matters was undertaken through targeted working groups on airside screening, cargo and screening innovation.</p> <p>Entry and exit interviews with regulated entities were undertaken to assist regulatory compliance.</p>	

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Compliance and monitoring approaches are streamlined and coordinated.</p> <p><i>Expected achievement:</i></p> <p>Compliance and monitoring approaches continue to be streamlined and coordinated, with a reform program underway to strengthen regulatory operations. It is anticipated a new operating model will be designed and its implementation underway.</p> <p>The centralisation of operational policy advice to improve national consistency will have begun.</p>	
2016-17	<p>Regulatory settings are reviewed to ensure they are efficient and effective.</p>	<p>Amend regulations to meet piece level screening security requirements for air cargo exported to the United States and commence implementation.</p> <p>Amend regulations to strengthen the security of airside screening arrangements commence implementation.</p> <p>Amend regulations to deregulate port service providers and ships undertaking interstate voyages.</p> <p>Make the known consignor scheme operational by the end of 2016.</p> <p>Implement new regulatory arrangements for regulated air cargo agents and accredited air cargo agents.</p> <p>Amend regulations to improve the design and physical security of the Aviation Security Identification Card and Maritime Security Identification Card.</p> <p>Amend regulations to streamline transport security programs, improve signage requirements and the application of special event zones.</p> <p>Hold meetings of the Aviation Security Advisory Forum, the Regional Industry Consultative Forum, the Maritime Industry Security Consultative Forum and the Oil and Gas Security Forum to consult with industry participants.</p>

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Industry is well informed about their regulatory obligations and contemporary security threats and risks.</p> <p>International engagement influences and shapes global policy settings.</p> <p>Compliance activity is risk based and well informed.</p> <p>New Compliance Operating Model implemented to improve efficiency, effectiveness and national consistency.</p>	<p>Issue new products on threat and risk to inform regulated industry participant's management of security risks.</p> <p>Undertake awareness raising activities to ensure regulated entities understand relevant reforms to regulatory operations.</p> <p>Ensure guidance about industry's regulatory obligations is up to date, clear and easily accessible.</p> <p>Implement regulatory amendments for special event zones, maps and sign requirements.</p> <p>Regularly brief regulated industry participants with information about current security threats.</p> <p>Ensure contingency planning for major airports and airlines is completed and well progressed with regional airports and airlines.</p> <p>Initiate entry and exit interviews with regulated entities to address areas of non-compliance.</p> <p>Engage through QUAD and the International Civil Aviation Organization Aviation Security Panel to influence changes to Annex 17 on cyber and landside security standards.</p> <p>Complete key bilateral agreements to streamline security screening.</p> <p>Participate in Asia-Pacific Economic Cooperation meetings and help to drive progress on its transport security and safety agenda.</p> <p>Implement the review of the Last Port of Call to improve the program's effectiveness.</p> <p>Implement the review of the capacity building program to improve its effectiveness.</p> <p>95 per cent of 'high risk' cases are subjected to compliance activity.</p> <p>Efficiency, effectiveness and national consistency of new Compliance Operating Model is improved as measured by industry feedback.</p> <p>Compliance data effectively informs the department's compliance approach.</p>

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Regulatory settings are reviewed to ensure they are efficient and effective.</p> <p>Industry is well informed about their regulatory obligations and contemporary security threats and risks.</p> <p>International engagement influences and shapes global policy settings.</p> <p>Compliance activity is risk based and well informed.</p> <p>Air cargo exports meet inbound regulatory requirements of Australia's major trading partners, particularly the United States.</p>	<p>Trial and refine if necessary, an operational model for risk based screening at selected major airports.</p> <p>Amend legislation to implement a more risk based and proportionate approach to aviation security regulation.</p> <p>Ensure the completion of contingency planning for regional airports and airlines.</p> <p>Issue products on threat and risk to inform the management of security risks by regulated industry participants.</p> <p>Regularly brief regulated industry participants to inform them about current security threats.</p> <p>Undertake awareness raising activities to ensure regulated entities understand relevant reforms to regulatory operations.</p> <p>Ensure guidance about industry's regulatory obligations is up to date, clear and easily accessible.</p> <p>Engage through the QUAD and the International Civil Aviation Organization Aviation Security Panel to influence changes to Annex 17 on cyber and landside security standards.</p> <p>Complete key bilateral agreements to streamline security screening.</p> <p>Contribute to efforts to improve the safety, security, and efficiency of transport through the Asia-Pacific Economic Cooperation Transportation Working Group.</p> <p>Ensure scheduled Last Port of Call assessments are completed and action is taken where risks are assessed as unacceptably high.</p> <p>Use the data it collects from compliance activities to effectively inform its compliance approach.</p> <p>By 1 July 2017, all United States-bound air cargo will have undergone to piece-level examination or will have originated from a known consignor.</p>
Purposes	Foster an efficient, sustainable, competitive, safe and secure transport system.	
Material changes to Program 2.1 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 2.1. 		

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Program 2.2 – The surface transport program contributes to Outcome 2 through activities which seek to improve the performance of the surface transport sector for the benefit of all Australians.		
Delivery	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • work with the Australian Maritime Safety Authority (AMSA) as the national maritime safety regulator to streamline the delivery of services to the commercial vessel sector and progress full implementation of national regulator arrangements; • progress and monitor the impact on Tasmanian businesses of the implementation of the Australian Government's response to the Productivity Commission inquiry report on Tasmanian shipping and freight, and in particular the expansion of the Tasmanian Freight Equalisation Scheme from 1 January 2016; • progress reform of coastal shipping; • work with state, territory and local government and industry to progress heavy vehicle road reform; • work with state, territory and local government to develop evidence and options on longer term land transport market reform of charging and investment arrangements; and • promote integrated surface transport (road, rail) reforms supporting the operation of single national markets and building on effective relationships with key stakeholders, including other governments, unions, industry and regulators. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Australian surface transport networks are safer and more efficient with Commonwealth regulation that is fit for purpose and proportionate to the risk being managed.</p> <p><i>Expected achievement:</i></p> <p>The streamlining of service delivery to the domestic commercial vessel sector and progress towards the full implementation of national regulator arrangements by 1 July 2017 is being worked towards with AMSA. Achievements will also be to: implement the Australian Government's response to the Productivity Commission inquiry report on Tasmanian shipping and freight; progressing the reform of coastal shipping; and promoting integrated road and rail reforms to support the operation of single national markets and building on effective relationships with key stakeholders.</p>	As per the 2015-16 PB Statements.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Surface transport regulatory systems are subject to a focus on continuous improvement.</p> <p><i>Expected achievement:</i></p> <p>Focus has continued to be given to improvements to the surface transport regulatory systems. The first editions of the key freight routes heavy vehicle asset registers and expenditure plans, along with an access negotiating framework were published on the Transport and Infrastructure Council on 29 January 2016, representing substantial progress against phase one of the reform road map agreed by transport ministers in May 2015.</p> <p>A review is expected to be completed of the costs, benefits and potential next steps of options to reform road transport investment and charging arrangements including light vehicles.</p> <p>Communication with regulated entities, including those subject to regulatory changes, is open, transparent and appropriately targeted to support regulated entities in meeting their obligations.</p> <p><i>Expected achievement:</i></p> <p>The national heavy vehicle and rail safety regulators will submit corporate plans to transport ministers in May 2016 for approval, and are expected to publish these on their respective websites soon after. In addition, each regulator now has fit for purpose stakeholder engagement arrangement processes in place, allowing for targeted communication and effective engagement.</p> <p>Ongoing consultation by AMSA with regulated entities is guided by principles set by the Australian Government's Office of Best Practice Regulation. AMSA's 2015-16 Annual Report will articulate the wide range of communications with regulated entities regarding standards and policy developments, including details of the consultative bodies run by AMSA.</p>	

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2016-17	<p>Australian surface transport networks are safer and more efficient with Commonwealth regulation that is fit for purpose and proportionate to the risk being managed.</p> <p>Surface transport regulatory systems are subject to a focus on continuous improvement.</p> <p>Communication with regulated entities, including those subject to regulatory changes, is open, transparent and appropriately targeted to support regulated entities in meeting their obligations.</p> <p>Lead work with the states and territories to progress heavy vehicle road reform in line with the road map agreed by the Transport and Infrastructure Council in May 2015.</p>	<p>Drive regulatory improvement and reduced costs for the heavy vehicle, maritime and rail sectors utilising the established and effective national regulators.</p> <p>Consider options for building on the infrastructure of the national regulators to consolidate broader funds to improve benefits to industry and increase productivity and safety outcomes.</p> <p>Sustain momentum on national transport reform, with jurisdictions working together to build on initial measures and implement longer-term reforms that improve pricing, access, safety and productivity.</p> <p>Balance investment and productivity outcomes between freight modes to ensure the efficiency and effectiveness of road, rail and shipping.</p> <p>Publish the second editions of the heavy vehicle asset registers and expenditure plans, which are improved based on feedback from industry and state and territory governments.</p> <p>Lead the states and territories in delivering advice to the Council of Australian Governments on:</p> <ul style="list-style-type: none"> • accelerating heavy vehicle road reform; • implementing independent price regulation for heavy vehicle charges by 2017-18; and • investigating the high level benefits and costs of user charging for all vehicles.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Australian surface transport networks are safer and more efficient with Commonwealth regulation that is fit for purpose and proportionate to the risk being managed.</p> <p>Surface transport regulatory systems are subject to a focus on continuous improvement.</p> <p>Communication with regulated entities, including those subject to regulatory changes, is open, transparent and appropriately targeted to support regulated entities in meeting their obligations.</p> <p>Lead work with states and territories to progress heavy vehicle reform.</p>	<p>Drive regulatory improvement and reduced costs for the heavy vehicle, maritime and rail sectors utilising the established and effective national regulators.</p> <p>Consider options for building on the infrastructure of the national regulators to consolidate broader funds to improve benefits to industry and increase productivity and safety outcomes.</p> <p>Sustain momentum on national transport reform, with jurisdictions working together to build on initial measures and implement longer-term reforms that improve pricing, access, safety and productivity.</p> <p>Balance investment and productivity outcomes between freight modes to ensure the efficiency and effectiveness of road, rail and shipping.</p> <p>Subject to agreement by the Council of Australian Governments, lead work with states, territories, local government and stakeholders on:</p> <ul style="list-style-type: none"> • implementing phase two of heavy vehicle road reform, including adoption of a forward looking cost base for heavy vehicle charges and independent price regulation of charges; and • progressing research and policy development work on land transport market reform.
Purposes	Foster an efficient, sustainable, competitive, safe and secure transport system.	
Material changes to Program 2.2 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 2.2. 		

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Program 2.3 – The road safety program contributes to Outcome 2 by developing a safer road transport system by working to make vehicles and occupants safer, and drivers more informed.		
Delivery	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • implement reforms to the <i>Motor Vehicle Standards Act 1989</i> in consultation with vehicle manufacturers, registered automotive workshops, state and territory vehicle registration authorities and the broader automotive sector; • ensure vehicle standards deliver both safety and environmental outcomes and are consistent with international approaches; and • coordinate ongoing delivery arrangements for the National Road Safety Strategy 2011-20 and National Road Safety Action Plan 2015-17, including road safety data collection and progress reporting. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Australia's road and vehicle safety systems achieve safety, emissions, anti-theft and other environmental standards.</p> <p><i>Expected achievement:</i></p> <p>Environmental standards continue to be achieved, through: applying United Nations Regulations; aligning Australian Design Rules (ADRs) with United Nations Regulations; amending ADRs to remove Australian specific content; and implementing Poleside Impact and other ADRs.</p> <p>Australia's road and vehicle safety systems are more efficient, with Commonwealth regulation that encourages efficiency and where compliance and monitoring is increasingly risk based and streamlined.</p> <p><i>Expected achievement:</i></p> <p>The efficiency of road and vehicle safety systems continues to be encouraged, in particular with the deployment of the Vehicle Import System being progressed.</p> <p>The legislative review of the <i>Motor Vehicle Standards Act 1989</i> has been completed and the Australian Government announced its agreed package of reforms on 10 February 2016. Implementation of this decision has commenced.</p> <p>Australia's road and vehicle safety systems are safer with Commonwealth regulation and regulatory policy fit for purpose and proportionate to the risks being managed.</p> <p><i>Expected achievement:</i></p> <p>Commonwealth regulation and regulatory policy which is fit for purpose and proportionate will be achieved including through the development of a new regulatory framework, incorporating risk and compliance strategies for the national vehicle safety regulator.</p>	As per the 2015-16 PB Statements.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Statistical analysis and information published is accurate and robust and supports the continuous improvement of regulatory frameworks.</p> <p><i>Expected achievement:</i> Statistical analysis and information published remains accurate and robust; the new Green Vehicle Guide website has been deployed.</p> <p>Communication with regulated entities, including those subject to regulatory changes, is open, transparent and appropriately targeted to support regulated entities in meeting their obligations.</p> <p><i>Expected achievement:</i> Regular stakeholder consultation continues to be open, transparent and targeted through established stakeholder forums, consultation relating to the development of new ADRs, an annual stakeholder survey and informal feedback, as well as the review of the <i>Motor Vehicle Standards Act 1989</i>.</p> <p>Approvals and licenses under the Commonwealth road and vehicle safety regulatory frameworks are issued in a timeframe that meets legislative or other requirements.</p> <p><i>Expected achievement:</i> Timely decisions are made on requests for approvals and licenses: 95 per cent of applications for new type approvals are decided within 25 working days; 95 per cent of applications for import approval are decided within 20 working days; and 95 per cent of applications for used import plate approval are decided within 5 working days of the submission of a vehicle inspection certificate.</p>	

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2016-17	<p>Australia's road and vehicle safety systems achieve safety, emissions, anti-theft and other environmental standards.</p> <p>Australia's road and vehicle safety systems are more efficient, with Commonwealth regulation that encourages efficiency and where compliance and monitoring is increasingly risk based and streamlined.</p> <p>Australia's road and vehicle safety systems are safer with Commonwealth regulation and regulatory policy fit for purpose and proportionate to the risks being managed.</p> <p>Statistical analysis and information published is accurate and robust and supports the continuous improvement of regulatory frameworks.</p> <p>Communication with regulated entities, including those subject to regulatory changes, is open, transparent and appropriately targeted to support regulated entities in meeting their obligations.</p> <p>Approvals and licenses under the Commonwealth road and vehicle safety regulatory frameworks are issued in a timeframe that meets legislative or other requirements.</p>	<p>Progress and implement reforms to the <i>Motor Vehicle Standards Act 1989</i> where necessary.</p> <p>Participate in the development of international vehicle standards; assess standards for implementation in Australia consistent with international timetables.</p> <p>Conduct audits, inspections, information seminars and other compliance activities effectively, with identified issues addressed satisfactorily.</p> <p>Publish and regularly review compliance and enforcement policy to ensure it reflects risk-based, proportionate and voluntary compliance principles.</p> <p>Ensure changes to legislation, policies or practices are appropriately canvassed through established stakeholder forums.</p> <p>95 per cent of applications for new type approvals are decided on within 32 working days.</p> <p>95 per cent of applications for import approvals are decided on within 20 working days.</p> <p>95 per cent of applications for used import plate approvals are decided on within 5 working days of the submission of a vehicle inspection certificate.</p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	Foster an efficient, sustainable, competitive, safe and secure transport system.	
Material changes to Program 2.3 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 2.3. 		

Table 2.2.3: Performance criteria for Outcome 2 (continued)

<p>Program 2.4 – The air transport program contributes to Outcome 2 by ensuring the aviation industry operates within a clear and robust safety regulatory environment and Australian businesses and consumers have access to competitive international and domestic air services, along with maintaining aviation safety.</p>		
<p>Delivery</p>	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • provide policy advice to the Australian Government on current and emerging aviation policy issues; • implement the Australian Government's aviation policy initiatives; • continue to administer regulatory provisions effectively and to promote best practice regulation through progressive improvements in guidance materials, regulatory tools and processes; • consult extensively with state, territory and local governments and industry and, where appropriate, with foreign governments and international organisations; and • implement the Australian Government's decision that the location for western Sydney's new airport will be the Commonwealth-owned site at Badgerys Creek. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<p>Policy advice is influential in the Australian Government's response to current and emerging international and domestic aviation industry issues.</p> <p><i>Expected achievement:</i> Advice is provided to the Minister on a range of policy and implementation issues in aviation, in addition to advice on whole-of-government policy positions.</p> <p>Aviation regulation, policies and administered items support ongoing investment in safe, efficient and environmentally responsible aviation infrastructure and operations by entities and industry.</p> <p><i>Expected achievement:</i> Policy and regulatory decisions are supporting investment across the aviation industry. Airservices Australia, our major civil air traffic service provider, plans to invest over \$1.0 billion in infrastructure and services over the next five years.</p> <p>Australia's major airports have continued investment, including in major new runway projects at Brisbane, Melbourne and Perth.</p> <p>Our major airlines also continue to invest in modern aircraft equipped with satellite-based technology.</p>	<p>As per the 2015-16 PB Statements.</p>

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>The approach to infrastructure planning, investment and development in western Sydney is integrated through consultation and coordination with key stakeholders.</p> <p><i>Expected achievement:</i> Key stakeholders are being consulted throughout the development of plans for western Sydney's infrastructure through the public exhibition of draft plans, steering committees, targeted briefings, newsletters, community information sessions, fact sheets and other avenues of communication.</p> <p>Aviation industry operates within a clear and robust regulatory framework.</p> <p><i>Expected achievement:</i> The regulatory framework for the aviation industry has continued to be monitored and maintained to ensure it operates in a clear and robust manner. This has included developing the Air Navigation Regulations 2016 which provides a robust and flexible framework for aviation, and continuing to implement agreed recommendations from the Aviation Safety Regulatory Review.</p> <p>Aviation entity governance arrangements operate effectively.</p> <p><i>Expected achievement:</i> Updated ministerial statements of expectation for the three portfolio aviation agencies (Civil Aviation Safety Authority, Airservices Australia and the Australian Transport Safety Bureau), new corporate plans and several board appointments were completed.</p> <p>Businesses and consumers have access to competitive international and domestic air services.</p> <p><i>Expected achievement:</i> Businesses and consumers have access to competitive international and domestic air services, supported by one of the most liberal aviation sectors in the world.</p>	

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Regulatory frameworks take account of industry needs and are appropriately meeting policy objectives.</p> <p><i>Expected achievement:</i></p> <p>The regulatory framework for the aviation industry has continued to be monitored and maintained to ensure it meets policy objectives and takes into account industry needs. Industry needs are taken into account particularly as part of formulating any proposed regulatory change.</p> <p>Collaboration with industry is effective in continuously monitoring regulatory frameworks.</p> <p><i>Expected achievement:</i></p> <p>Ongoing collaboration with industry has been maintained, including regular consultation with industry members across industry sectors. This consultation has facilitated the effective monitoring of regulatory frameworks.</p> <p>Cost of airlines providing regular public services to designated remote communities is reduced.</p> <p><i>Expected achievement:</i></p> <p>Regular flights will be provided to 266 designated remote communities under the Remote Air Services Subsidy (RASS) component of the Regional Aviation Access Program (RAAP). Further, assistance will be provided to eligible regional commercial airlines under the Enroute Charges Payment Scheme.</p> <p>Cost of air operators providing aeromedical services to regional and remote areas is reduced.</p> <p><i>Expected achievement:</i></p> <p>The Airservices Australia Enroute Charges Payment Scheme will provide aeromedical providers with a rebate of applicable enroute charges for aeromedical services provided to regional and remote communities.</p>	

Table 2.2.3: Performance criteria for Outcome 2 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Safety and access at remote airstrips is improved.</p> <p><i>Expected achievement:</i></p> <p>In December 2015, 52 aerodrome safety and access upgrade projects in remote areas across Australia were announced. These upgrades will improve safety and access for providers such as the Royal Flying Doctor Service.</p>	
2016-17	<p>Policy advice is influential in the Australian Government's response to current and emerging international and domestic aviation industry issues.</p> <p>Aviation regulation, policies and administered items effectively support future investment in safe, efficient and environmentally responsible aviation infrastructure.</p> <p>Aviation industry operates within a clear and robust regulatory framework.</p> <p>Aviation entity governance arrangements operate effectively.</p> <p>Businesses and consumers have access to competitive international and domestic air services.</p> <p>Cost of airlines providing regular public services to designated remote communities is reduced.</p> <p>Cost of air operators providing aeromedical services to regional and remote areas is reduced.</p> <p>Safety and access at remote airstrips is improved.</p> <p>The approach to infrastructure planning, investment and development in western Sydney is integrated through consultation and coordination with key stakeholders.</p>	<p>Advise the Australian Government on aviation policy issues and initiatives and work on implementation of policy directions.</p> <p>Promote ongoing investment in infrastructure by government agencies and industry.</p> <p>Implement Australian Government aviation policy initiatives.</p> <p>Meet statutory governance requirements in the relevant aviation agency legislation in relation to board appointments, corporate plans and other matters.</p> <p>Engage in air services talks with key countries.</p> <p>Subsidise regular public transport services to 266 designated remote communities under the RASS Scheme.</p> <p>Provide rebates to eligible commercial airlines providing services to regional areas under the Airservices Australia Enroute Charges Payment Scheme.</p> <p>Provide rebates to eligible aeromedical providers under the Airservices Australia Enroute Charges Payment Scheme.</p> <p>Fund projects related to safety and access upgrades under the Remote Airstrip Upgrade component of the RAAP.</p> <p>Create opportunities for key stakeholders and inform the community about the project's progress and address concerns they may have to ensure collaborative planning, and:</p> <ul style="list-style-type: none"> • issue quarterly newsletters to 10,000 households in a 5 kilometre vicinity of the airport site; • engage with NSW Government and 10 western Sydney councils; and • deliver a dedicated website with up to date information.
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	Foster an efficient, sustainable, competitive, safe and secure transport system.	
Material changes to Program 2.4 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 2.4. 		

2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

Outcome 3: Strengthening the sustainability, capacity and diversity of regional economies including through facilitating local partnerships between all levels of government and local communities; and providing grants and financial assistance.

Linked programs

The Department of the Treasury
Programs
<ul style="list-style-type: none"> Program 1.9: National Partnership Payments to the states.
Contribution to Outcome 3 made by linked programs
The above linkage relates to National Partnership Payments which are paid through the Department of the Treasury as part of the Federal Financial Relations Framework.

Budgeted expenses for Outcome 3

The table below shows how much the Department intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.3.1: Budgeted expenses for Outcome 3

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 3.1: Regional development					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	253,215	391,065	414,963	268,337	218,686
Other Services (Appropriation Bill No. 2)	17,400	13,000	5,000	5,000	-
Total administered expenses	270,615	404,065	419,963	273,337	218,686
Departmental expenses					
Departmental appropriation	24,132	23,760	22,415	21,010	21,225
s74 retained revenue receipts (a)	258	142	146	147	148
Expenses not requiring appropriation in the Budget year (b)	1,493	1,497	980	877	823
Total departmental expenses	25,883	25,399	23,541	22,034	22,196
Total expenses for Program 3.1	296,498	429,464	443,504	295,371	240,882

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 3.2: Local government					
Administered expenses					
Special Appropriations					
<i>Local Government (Financial Assistance) Act 1995</i>	1,144,189	2,288,677	2,381,368	2,474,480	2,575,438
Expenses not requiring appropriation in the Budget year (c)	35	-	-	-	-
Total administered expenses	1,144,224	2,288,677	2,381,368	2,474,480	2,575,438
Departmental expenses					
Departmental appropriation	1,723	1,637	1,542	1,512	1,548
s74 retained revenue receipts (b)	23	11	12	12	12
Expenses not requiring appropriation in the Budget year (c)	120	112	76	67	63
Total departmental expenses	1,866	1,760	1,630	1,591	1,623
Total expenses for Program 3.2	1,146,090	2,290,437	2,382,998	2,476,071	2,577,061
Outcome 3 Totals by appropriation type					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	253,215	391,065	414,963	268,337	218,686
Other Services (Appropriation Bill No. 2)	17,400	13,000	5,000	5,000	-
Special Appropriations	1,144,189	2,288,677	2,381,368	2,474,480	2,575,438
Expenses not requiring appropriation in the Budget year (c)	35	-	-	-	-
Total administered expenses	1,414,839	2,692,742	2,801,331	2,747,817	2,794,124
Departmental expenses					
Departmental appropriation	25,855	25,397	23,957	22,522	22,773
s74 retained revenue receipts (a)	281	153	158	159	160
Expenses not requiring appropriation in the Budget year (b)	1,613	1,609	1,056	944	886
Total departmental expenses	27,749	27,159	25,171	23,625	23,819
Total expenses for Outcome 3	1,442,588	2,719,901	2,826,502	2,771,442	2,817,943
Movement of administered funds between years (d)					
Outcome 3:					
Program 3.1: Regional development	(206,000)	26,000	130,000	50,000	-
Total movement of administered funds between years	(206,000)	26,000	130,000	50,000	-
	2015-16	2016-17			
Average staffing level (number)	132	132			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) Departmental expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and expenses that are reduced by associated receipts.
- (c) Administered expenses not requiring appropriation in the Budget year relate to accruals.

(d) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.3.2: Program components for Outcome 3

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Components for program 3.1: Regional Development					
Annual administered expenses (a)					
Community Development Grants Fund	111,807	90,101	81,643	-	-
Drought Communities Program	12,000	13,000	5,000	5,000	-
Latrobe Valley economic diversification (b)	5,400	-	-	-	-
National Stronger Regions Fund	35,000	200,000	315,000	250,000	200,000
Regional Development Australia Committees	18,303	18,302	18,320	18,337	18,686
Regional Development Australia Fund	40,943	33,602	-	-	-
Stronger Communities Program	22,500	22,500	-	-	-
Tasmanian Jobs and Growth Package	24,662	26,560	-	-	-
Program support	25,883	25,399	23,541	22,034	22,196
Total program expenses	296,498	429,464	443,504	295,371	240,882
Components for program 3.2: Local Government					
Special Appropriation expenses					
<i>Local Government (Financial Assistance) Act 1995</i>	1,144,224	2,288,677	2,381,368	2,474,480	2,575,438
Program support	1,866	1,760	1,630	1,591	1,623
Total program expenses	1,146,090	2,290,437	2,382,998	2,476,071	2,577,061

Notes:

- (a) Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury for the *Murray-Darling Basin Regional Economic Diversification Program* and *South Australia Economic Development Program* administered items.
- (b) Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury.

Table 2.3.3: Performance criteria for Outcome 3

Table 2.3.3 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 3 – Strengthening the sustainability, capacity and diversity of regional economies including through facilitating local partnerships between all levels of government and local communities; and providing grants and financial assistance.		
Program 3.1 – The regional development program contributes to Outcome 3 through a range of regionally focused stakeholder consultation and engagement, research, policy development and program delivery activities.		
Delivery	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • establish and drive a forward-looking policy agenda for regional development; • develop and maintain the regional evidence base to track the trends impacting the development of Australia’s regions and influence regional policy decisions; • influence policy and program design to enhance regional outcomes across government; • develop and implement policies and programs to support economic growth and services to regional communities; • promote effective planning and coordination across all levels of government on matters affecting local government and regional communities; • progress projects to strengthen regional economies, including in Tasmania, Murray-Darling Basin and northern Australia; • deliver the National Stronger Regions Fund to support the economic growth of regions; • manage regional and local government grants programs, including the Community Development Grants Fund and the Regional Development Australia Fund which contribute to the development of local infrastructure; and • support a network of regional development committees to ensure that policy making, program implementation and advice is informed by local input and priorities. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Regional Development Australia Committees receive operational funding through the Regional Development Australia program.</p> <p><i>Expected achievement:</i> Refer to target.</p> <p>Regional Ministerial Budget Statement is delivered following the 2015-16 Budget.</p> <p><i>Expected achievement:</i> The 2015-16 Regional Ministerial Budget Statement was released on Budget night in May 2015.</p> <p><i>Progress in Australian Regions</i> series are published and accessed by the community.</p> <p><i>Expected achievement:</i> The <i>Progress in Australian Regions – Yearbook 2015</i> was released in December 2015.</p> <p>The <i>Progress in Australia Regions – State of Regional Australia 2014</i> was released in July 2015.</p>	<p>100 per cent of forecast.</p> <p><i>Expected achievement:</i> 100 per cent of forecast.</p>

Table 2.3.3: Performance criteria for Outcome 3 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Collaboration on economic and social policies in areas such as health, communications, education, skills, infrastructure, environment and industry deliver benefits to regional communities.</p> <p><i>Expected achievement:</i></p> <p>Collaboration continues across government to support portfolios in identifying regional impacts and improve outcomes for regional communities.</p> <p>Projects that receive funding through Community Development Grants Fund, Tasmanian Jobs and Growth Package, Latrobe Valley Economic Diversification Program, Murray-Darling Basin Regional Economic Diversification Program, Regional Development Australia Fund, National Stronger Regions Fund are delivered on time and on budget.</p> <p><i>Expected achievement:</i></p> <p>Projects which contribute to the desired outcome of the relevant program are funded. These programs are on track to complete within the appropriation period.</p> <p>Regional Development Australia Committees work with key regional stakeholders and local governments to develop a regionally supported plan and develop quality priority economic development project proposals and promote Australian Government programs.</p> <p><i>Expected achievement:</i></p> <p>Regional Development Australia Committees have plans in place and continue to work with stakeholders in their regions to promote economic development.</p> <p>Provide timely advice to the Minister for the delivery of regional infrastructure funds including the Community Development Grants Fund, Tasmanian Jobs and Growth Package, Regional Development Australia Fund and the National Stronger Regions Fund.</p> <p><i>Expected achievement:</i></p> <p>The Ministers continue to be provided with reliable, appropriate and timely advice on the performance of the regional grant programs including, due diligence and assessments on value for money on proposals under the National Stronger Regions Fund.</p>	

Table 2.3.3: Performance criteria for Outcome 3 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2016-17	<p>Regional Ministerial Budget Statement is delivered following the 2016-17 Budget.</p> <p><i>Progress in Australian Regions</i> series is published and accessed by the community.</p> <p>Collaboration on economic and social policies in areas such as health, communications, education, environment and industry deliver benefits to regional communities.</p> <p>Policy agenda for regional Australia is provided to Government.</p> <p>Timely advice is provided to Ministers on opportunities on policy and program design which impacts regional Australia.</p> <p>Projects that receive funding through Community Development Grants Fund, Murray-Darling Basin Regional Economic Diversification Program, Tasmanian Jobs and Growth Package, Regional Development Australia Fund, and National Stronger Regions Fund are delivered on time and on budget.</p> <p>Provide timely advice to the Minister for the delivery of regional infrastructure funds including the Community Development Grants Fund, Tasmanian Jobs and Growth Package, Regional Development Australia Fund, National Stronger Regions Fund, Drought Communities Program and Stronger Communities Program.</p> <p>Regional Development Australia Committees work with key regional stakeholders and local governments to develop a regionally supported plan, quality priority economic development project proposals and promote Australian Government programs.</p>	<p>Deliver Regional Ministerial Budget Statement in accordance with Budget requirements.</p> <p><i>Progress in Australian Regions</i> series is released in a timely manner each year.</p> <p>Collaborate with relevant portfolio agencies to ensure consideration of impacts on Australia's regions to enhance regional outcomes.</p> <p>Payments approved are within 5 per cent of forecast.</p> <p>55 Regional Development Australia committees have economic plans in place and assist proponents to develop grant applications for infrastructure funding.</p>

Table 2.3.3: Performance criteria for Outcome 3 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Regional Ministerial Budget Statement is delivered following the 2017-18 Budget.</p> <p><i>Progress in Australian Regions</i> series is published and accessed by the community.</p> <p>Effective collaboration on economic and social policies in areas such as health, communications, education, environment and industry deliver benefits to regional communities.</p> <p>Projects that receive funding through Community Development Grants Fund and the National Stronger Regions Fund are delivered on time and on budget.</p> <p>Regional Development Australia Committees work with key regional stakeholders and local governments to develop a regionally supported plan, quality priority economic development project proposals and promote Australian Government programs.</p> <p>Provide timely advice to the Minister for the delivery of regional infrastructure funds including the Community Development Grants Fund, Tasmanian Jobs and Growth Package, Regional Development Australia Fund, National Stronger Regions Fund and the Drought Communities Program.</p>	As per 2016-17.
Purposes	<ul style="list-style-type: none"> Facilitate local partnerships between all levels of government and local communities. Promote, evaluate, plan and invest in infrastructure and regional development. 	
Material changes to Program 3.1 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 3.1. 		

Table 2.3.3: Performance criteria for Outcome 3 (continued)

Program 3.2 – The local government program contributes to Outcome 3 by strengthening local government capacity and better supporting local communities through providing policy advice to the Australian Government and financial assistance to local governments.		
Delivery	During 2016-17 and the forward years, the Department will: <ul style="list-style-type: none"> Manage the Local Government Financial Assistance Grant program that supports local government service delivery and infrastructure, engage with local government on nationally significant issues, and administer the National Awards for Local Government. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Funding provided through the Financial Assistance Grant program.</p> <p><i>Expected achievement:</i> Refer to target.</p> <p>The annual National Awards for Local Government is considered a key tool for promoting innovation and leading practice service delivery by local government and sponsoring departments.</p> <p><i>Expected achievement:</i> Innovative and leading practice service delivery continues to be promoted. Applications for the National Awards for Local Government closed on 4 March 2016. Category winners are expected to be announced in mid-April, with national judging to occur in June 2016.</p>	<p>100 per cent of forecast.</p> <p><i>Expected achievement:</i> 100 per cent of forecast.</p>
2016-17	<p>The annual National Awards for Local Government is considered a key tool for promoting innovation and leading practice service delivery by local government and sponsoring departments.</p> <p>Delivery of funding in accordance with the <i>Local Government (Financial Assistance) Act 1995</i>.</p>	<p>Conduct the annual National Awards for Local Government.</p> <p>100 per cent of forecast funding for the Financial Assistance Grant Program.</p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	Facilitate local partnerships between all levels of government and local communities.	
Material changes to Program 3.2 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 3.2. 		

2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

Outcome 4: Good governance in the Australian Territories through the maintenance and improvement of the overarching legislative framework for self-governing territories, and laws and services for non-self-governing territories.

Linked programs

The Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9: National Partnership Payments to the states.
Contribution to Outcome 4 made by linked programs
The above linkage relates to National Partnership Payments which are paid through the Department of the Treasury as part of the Federal Financial Relations Framework.

Budgeted expenses for Outcome 4

The table below shows how much the Department intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.4.1: Budgeted expenses for Outcome 4

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 4.1: Services to territories					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	109,043	114,392	121,423	116,508	118,371
Special Accounts					
Christmas Island Phosphate Mining Rehabilitation Special Account	1,700	1,700	1,700	1,700	1,700
Indian Ocean Territories Special Account	21,313	20,242	18,167	15,861	15,069
Jervis Bay Territory Special Account	1,047	1,083	1,126	1,167	1,178
Expenses not requiring appropriation in the Budget year (a)	38,840	30,590	31,975	32,770	33,348
Total administered expenses	171,943	168,007	174,391	168,006	169,666
Departmental expenses					
Departmental appropriation	18,133	16,809	15,671	15,378	15,783
s74 retained revenue receipts (b)	237	108	111	111	112
Expenses not requiring appropriation in the Budget year (c)	1,192	1,116	742	664	625
Total departmental expenses	19,562	18,033	16,524	16,153	16,520
Total expenses for Program 4.1	191,505	186,040	190,915	184,159	186,186

Table 2.4.1: Budgeted expenses for Outcome 4 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Outcome 4 Totals by appropriation type					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	109,043	114,392	121,423	116,508	118,371
Special Accounts	24,060	23,025	20,993	18,728	17,947
Expenses not requiring appropriation in the Budget year (a)	38,840	30,590	31,975	32,770	33,348
Total administered expenses	171,943	168,007	174,391	168,006	169,666
Departmental expenses					
Departmental appropriation	18,133	16,809	15,671	15,378	15,783
s74 retained revenue receipts (b)	237	108	111	111	112
Expenses not requiring appropriation in the Budget year (c)	1,192	1,116	742	664	625
Total departmental expenses	19,562	18,033	16,524	16,153	16,520
Total expenses for Outcome 4	191,505	186,040	190,915	184,159	186,186
	2015-16	2016-17			
Average staffing level (number)	93	93			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Administered expenses not requiring appropriation in the Budget year relate to depreciation and amortisation expenses and accruals.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (c) Departmental expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and expenses that are reduced by associated receipts.

Table 2.4.2: Program components for Outcome 4

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Components for program 4.1: Services to territories					
Annual administered expenses (a)					
ACT Government - national capital functions	1,934	1,916	1,916	1,916	1,947
Loan to the Australian Capital Territory Government – loose fill asbestos	4,448	-	-	-	-
Norfolk Island - Commonwealth administration	1,331	1,367	1,066	1,067	1,084
Norfolk Island - Kingston and Arthur's Vale historic area	633	632	632	632	642
Office of Administrator, Northern Territory	329	324	334	334	339
Services to Indian Ocean Territories (b)	89,502	88,871	88,999	84,396	85,746
Services to Jervis Bay Territory (c)	5,040	4,999	5,013	5,027	5,107
Services to Norfolk Island	10,274	16,283	23,463	23,136	23,506
Depreciation and amortisation	34,392	30,590	31,975	32,770	33,348
Special Account expenses					
Christmas Island Phosphate Mining Rehabilitation Special Account	1,700	1,700	1,700	1,700	1,700
Indian Ocean Territories Special Account 2014	21,313	20,242	18,167	15,861	15,069
Jervis Bay Territory Special Account 2014	1,047	1,083	1,126	1,167	1,178
Program support	19,562	18,033	16,524	16,153	16,520
Total program expenses	191,505	186,040	190,915	184,159	186,186

Notes:

- (a) Excludes expenses relating to payments made to and through the states and territories by the Department of the Treasury for the *Centenary of Canberra – Constitution Avenue Upgrade* administered item.
- (b) See also expenses associated with the Indian Ocean Territories Special Account 2014.
- (c) See also expenses associated with the Jervis Bay Territory Special Account 2014.

Table 2.4.3: Performance criteria for Outcome 4

Table 2.4.3 below details the performance criteria for each program associated with Outcome 4. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 4 – Good governance in the Australian Territories through the maintenance and improvement of the overarching legislative framework for self-governing territories, and laws and services for non-self-governing territories.		
Program 4.1 – The services to territories program contributes to Outcome 4 by improving the quality of services provided to residents of the non-self-governing territories and providing targeted support to the self-governing territories through economic and social sustainability initiatives, delivery of services and managing the Australian Government's interests in the territories.		
Delivery	<p>During 2016-17 and the forward years, the Department will:</p> <ul style="list-style-type: none"> • assist the territories to establish and maintain good governance and provide services and advice on administration for the non-self-governing territories; • progress reforms towards long term financial sustainability and improved governance; • manage national and world heritage areas in the external territories; • provide services, funding support and undertake capital works as appropriate to ensure territory communities have access to similar services as equivalent state communities; • provide continuous improvement of the administration of inter-governmental agreements and various programs, maintain Australian Government assets and deliver state and local government-type services; • administer the loan to the Australian Capital Territory Government to implement its Loose Fill Asbestos Insulation Eradication Scheme; and • support the Australian Government with advice on its role in the planning of the national capital and on issues relating to the Australian Government's interest in the Australian Capital Territory. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>State-type services and grants are delivered to residents of the non-self-governing territories similar to comparable mainland communities.</p> <p><i>Expected achievement:</i> Services comparable to similar communities continue to be delivered, including throughout 2015-16. Service delivery is ongoing.</p> <p>Essential infrastructure in the non-self-governing territories meets the needs of communities.</p> <p><i>Expected achievement:</i> Essential infrastructure continues to support the provision of a comparable level of service to that of similar communities, including throughout 2015-16. Service delivery is ongoing.</p>	As per the 2015-16 PB Statements.

Table 2.4.3: Performance criteria for Outcome 4 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
	<p>Administration of the Australian Government's interest in self-governing territories is effective.</p> <p><i>Expected achievement:</i> Advice continues to be provided to the Australian Government and supports its interests in the Australian Capital Territory and Northern Territory.</p> <p>Legal frameworks are in place in the territories that provide comparable rights and protections to citizens as the rest of Australia.</p> <p><i>Expected achievement:</i> Legislative changes have been progressed to ensure communities are provided comparable rights and protections to citizens throughout Australia.</p> <p>Service delivery arrangements and contracts meet value-for-money criteria and deliver appropriate levels of services.</p> <p><i>Expected achievement:</i> Service delivery arrangements continue to provide services comparable to similar communities.</p> <p>Financial and governance reform for Norfolk Island is progressed through constructive partnerships with the Norfolk Island community.</p> <p><i>Expected achievement:</i> Financial and governance reforms for Norfolk Island were successfully progressed during 2015-16 and will continue in 2016-17.</p>	

Table 2.4.3: Performance criteria for Outcome 4 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2016-17	<p>State-type services and grants are delivered to residents of the non-self-governing territories similar to comparable mainland communities.</p> <p>Essential infrastructure in the non-self-governing territories meets the needs of communities.</p> <p>Administration of the Australian Government's interest in self-governing territories is effective.</p> <p>Legal frameworks are in place in the territories that provide comparable rights and protections to citizens as the rest of Australia.</p> <p>Service delivery arrangements and contracts meet value-for-money criteria and deliver appropriate levels of services.</p> <p>Financial and governance reform for Norfolk Island is progressed through constructive partnerships with the Norfolk Island community.</p>	<p>Deliver state-type services to the non-self-governing territories to a standard comparable with equivalent state communities.</p> <p>Ensure essential infrastructure continues to support the provision of a comparable level of service to that of similar communities and service delivery is ongoing.</p> <p>Provide advice to the Australian Government and support the Australian Government's interests in the Australian Capital Territory and Northern Territory.</p> <p>Progress legislative changes to ensure communities are provided comparable rights and protections to citizens throughout Australia.</p> <p>Ensure service delivery arrangements will provide services comparable to similar communities.</p> <p>Introduce federal and state level services for Norfolk Island through financial and governance reforms.</p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	Provide good governance in the Australian territories.	
Material changes to Program 4.1 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 4.1. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of the Department's finances for the 2016–17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

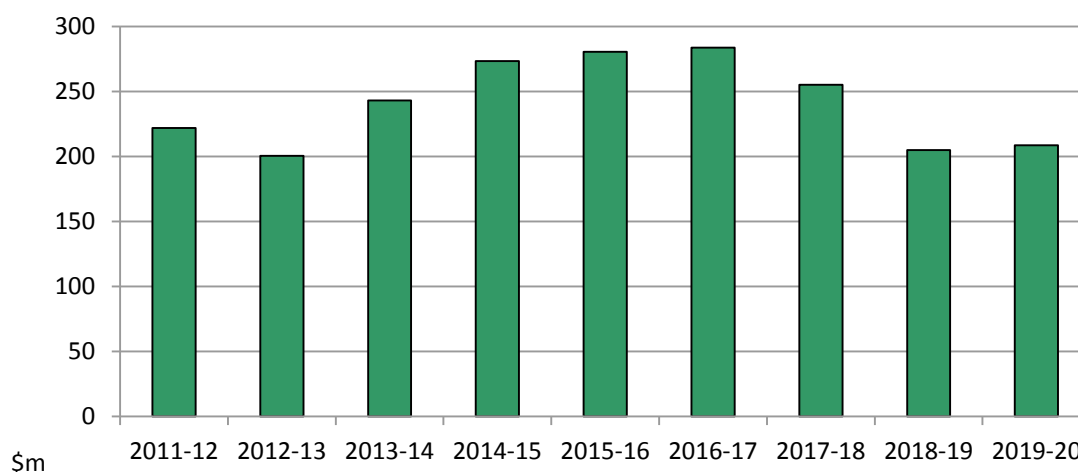
3.1.1 Explanatory notes and analysis of budgeted financial statements

Departmental

Budgeted departmental income statement

Total expenses are estimated to be \$283.5m in 2016–17, an increase of \$3.1m from the 2015-16 estimated actual. The increase is primarily due to additional Departmental funding for the Delivery of Inland Rail and Western Sydney Airport measures and the profile of previous Budget measures.

Chart 3.1: Total departmental expenses



Budgeted departmental balance sheet

The Department's major non-financial assets are Buildings (\$7.1m), Intangibles (\$11.3m) and Property Plant and Equipment (\$8.6m). The Department's primary liability continues to be accrued employee leave entitlements, estimated at \$46.3m.

Administered

Schedule of budgeted income and expenses administered on behalf of government

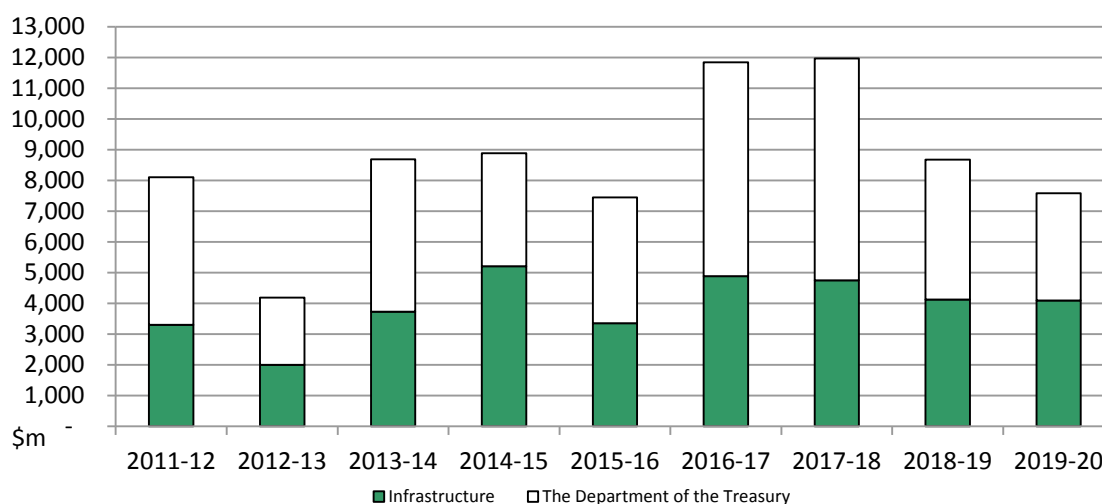
The Department administers the collection of taxes, fees and fines, other non-taxation revenue and interest and dividends estimated at \$555.0m in 2016–17, representing an increase of \$96.0m from the 2015–16 estimated actual. The increase is primarily due to the profile of receipts from the Building Australia Fund special account for grants under the *Plan for the Future* administered item (\$125.8m) and increased interest revenue (\$13.1m) and dividend revenue (\$3.6m), partially offset by the profile of receipts associated with international contributions to the search for Malaysia Airlines flight MH370 (\$50.0m).

Administered expenses are budgeted at \$4 884.7m in 2016–17, representing an increase of \$1 526.1m from the 2015–16 estimated actual and will be incurred for the administered items set out at Section 2. The increase is primarily due to:

- changes in the funding profile of the Local Government Financial Assistance Grants (\$1 144.5m);
- changes in the funding profile of the Infrastructure Investment Program (\$277.2m);
- changes in the funding profile of the National Stronger Regions Fund (\$165.0m);
- the recognition of expenses associated with concessional loans (\$144.9m);
- changes in the funding profile of the Building Australia Fund (\$115.7m); and
- changes in the funding profile of several other administered items (\$31.4m).

The increase is partially offset by reduced funding for the Infrastructure Growth Package (\$350.0m)

Chart 3.2: Total administered expenses



Schedule of budgeted assets and liabilities administered on behalf of government

Total assets are expected to increase in 2016–17 by \$937.5m to \$7 222.5m from the 2015–16 estimated actual result. The increase relates mainly to the loan associated with WestConnex Stage 2 (\$509.1m) and an increase in Administered investments (\$424.0m).

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	143,168	145,999	148,913	150,399	151,900
Suppliers	124,523	125,307	97,731	46,962	49,531
Depreciation and amortisation	12,579	12,050	8,494	7,600	7,124
Finance costs	178	174	20	12	5
Total expenses	280,448	283,530	255,158	204,973	208,560
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,193	4,121	4,102	4,135	4,170
Other revenue	830	732	732	732	732
Total own-source revenue	5,023	4,853	4,834	4,867	4,902
Gains					
Other gains	1,155	860	63	-	-
Total gains	1,155	860	63	-	-
Total own-source income	6,178	5,713	4,897	4,867	4,902
Net (cost of) / contribution by services	(274,270)	(277,817)	(250,261)	(200,106)	(203,658)
Revenue from Government	261,691	265,767	241,767	192,506	196,534
Surplus / (deficit) attributable to the Australian Government	(12,579)	(12,050)	(8,494)	(7,600)	(7,124)
Total comprehensive income / (loss) attributable to the Australian Government	(12,579)	(12,050)	(8,494)	(7,600)	(7,124)
Note: Impact of net cash appropriation arrangements					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income / (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations (a)	12,579	12,050	8,494	7,600	7,124
Total comprehensive income / (loss) - as per Statement of Comprehensive Income	(12,579)	(12,050)	(8,494)	(7,600)	(7,124)

Prepared on Australian Accounting Standards basis.

Notes:

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,600	1,600	1,600	1,600	1,600
Trade and other receivables	117,678	114,280	115,211	115,695	117,667
Other financial assets	1,100	1,000	1,000	1,000	1,000
Total financial assets	120,378	116,880	117,811	118,295	120,267
Non-financial assets					
Land and buildings	6,790	7,101	8,408	8,947	9,374
Property, plant and equipment	7,129	8,633	10,677	14,775	13,907
Intangibles	12,288	11,267	9,638	6,560	5,368
Other non-financial assets	4,661	4,294	4,162	4,095	4,095
Total non-financial assets	30,868	31,295	32,885	34,377	32,744
Total assets	151,246	148,175	150,696	152,672	153,011
LIABILITIES					
Payables					
Suppliers	21,042	18,015	17,535	17,032	17,013
Other payables	2,595	2,789	2,720	2,673	3,685
Total payables	23,637	20,804	20,255	19,705	20,698
Provisions					
Employee provisions	45,332	46,342	47,733	48,688	49,662
Other provisions	10,831	10,142	10,099	10,111	10,116
Total provisions	56,163	56,484	57,832	58,799	59,778
Total liabilities	79,800	77,288	78,087	78,504	80,476
Net assets	71,446	70,887	72,609	74,168	72,535
EQUITY					
Contributed equity	(116,267)	(104,776)	(94,560)	(85,401)	(79,910)
Reserves	19,575	19,575	19,575	19,575	19,575
Retained surplus / (accumulated deficit)	168,138	156,088	147,594	139,994	132,870
Total equity	71,446	70,887	72,609	74,168	72,535

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	168,138	19,575	(116,267)	71,446
Adjusted opening balance	168,138	19,575	(116,267)	71,446
Comprehensive income				
Surplus / (deficit) for the period	(12,050)	-	-	(12,050)
Total comprehensive income	(12,050)	-	-	(12,050)
of which:				
Attributable to the Australian Government	(12,050)	-	-	(12,050)
Transactions with owners				
<i>Contribution by owners</i>				
Departmental Capital Budget (DCBs)	-	-	11,491	11,491
Sub-total transactions with owners	-	-	11,491	11,491
Estimated closing balance as at 30 June 2017	156,088	19,575	(104,776)	70,887
Closing balance attributable to the Australian Government	156,088	19,575	(104,776)	70,887

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	275,875	277,205	240,885	192,034	194,567
Sale of goods and rendering of services	13,082	6,629	6,017	6,107	6,201
Other	471	302	202	202	1,047
Total cash received	289,428	284,136	247,104	198,343	201,815
Cash used					
Employees	145,158	144,914	147,517	149,440	150,759
Suppliers	131,563	132,068	99,421	48,852	51,056
Other	8,987	5,801	166	51	-
Total cash used	285,708	282,783	247,104	198,343	201,815
Net cash from / (used by) operating activities	3,720	1,353	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property plant and equipment and intangibles	7,624	12,844	10,216	9,159	5,491
Total cash used	7,624	12,844	10,216	9,159	5,491
Net cash from / (used by) investing activities	(7,624)	(12,844)	(10,216)	(9,159)	(5,491)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,201	11,491	10,216	9,159	5,491
Total cash received	3,201	11,491	10,216	9,159	5,491
Net cash from / (used by) financing activities	3,201	11,491	10,216	9,159	5,491
Net increase / (decrease) in cash held	(703)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,303	1,600	1,600	1,600	1,600
Cash and cash equivalents at the end of the reporting period	1,600	1,600	1,600	1,600	1,600

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	3,201	11,491	10,216	9,159	5,491
Total new capital appropriations	3,201	11,491	10,216	9,159	5,491
Provided for:					
Purchase of non-financial assets	3,201	11,491	10,216	9,159	5,491
Total items	3,201	11,491	10,216	9,159	5,491
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations					
- DCB (a)	7,624	12,844	10,216	9,159	5,491
Total	7,624	12,844	10,216	9,159	5,491
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,624	12,844	10,216	9,159	5,491
Total cash used to acquire assets	7,624	12,844	10,216	9,159	5,491

Prepared on Australian Accounting Standards basis.

Notes:

(a) Includes both current and prior year Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Buildings \$'000	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	18,275	13,418	41,426	73,119
Accumulated depreciation/amortisation and impairment	(11,485)	(6,289)	(29,138)	(46,912)
Opening net book balance	6,790	7,129	12,288	26,207
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	5,175	4,224	3,445	12,844
Total additions	5,175	4,224	3,445	12,844
Other movements				
Depreciation/amortisation expense	(4,864)	(2,720)	(4,466)	(12,050)
Total other movements	(4,864)	(2,720)	(4,466)	(12,050)
As at 30 June 2017				
Gross book value	23,450	17,642	44,871	85,963
Accumulated depreciation/amortisation and impairment	(16,349)	(9,009)	(33,604)	(58,962)
Closing net book balance	7,101	8,633	11,267	27,001

Prepared on Australian Accounting Standards basis.

Notes:

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for DCBs.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employees	17,657	17,927	17,912	18,937	19,474
Supplier expenses	128,073	129,245	104,322	101,503	95,866
Subsidies	224,236	244,508	246,870	242,392	244,979
Grants	2,823,207	4,189,971	4,063,786	3,488,812	3,564,905
Depreciation and amortisation	35,634	30,590	31,975	32,770	33,348
Payments to corporate entities	116,180	122,801	125,022	126,444	128,247
Finance costs	12,677	148,693	158,573	111,890	8,836
Other expenses	1,000	1,000	1,000	1,000	1,000
Total expenses administered on behalf of Government	3,358,664	4,884,735	4,749,460	4,123,748	4,096,655
LESS:					
OWN-SOURCE INCOME					
Own-source income					
Taxation revenue					
Other taxes	37,907	38,944	40,250	41,608	43,020
Total taxation revenue	37,907	38,944	40,250	41,608	43,020
Non-taxation revenue					
Sale of goods and rendering of services	18,726	17,445	14,856	12,586	11,805
Fees and fines	207,998	212,667	220,946	223,901	224,911
Interest	33,771	46,857	76,252	107,487	124,947
Dividends	94,259	97,900	102,700	127,800	146,500
Rental income	4,303	3,393	3,398	3,403	3,403
Other revenue	61,208	136,964	4,469	4,583	4,694
Total non-taxation revenue	420,265	515,226	422,621	479,760	516,260
Total own-source revenues administered on behalf of Government	458,172	554,170	462,871	521,368	559,280
Gains					
Other gains	748	786	826	868	913
Total gains administered on behalf of Government	748	786	826	868	913
Total own-source income administered on behalf of Government	458,920	554,956	463,697	522,236	560,193
Net (cost of) / contribution by services	(2,899,744)	(4,329,779)	(4,285,763)	(3,601,512)	(3,536,462)
Surplus / (Deficit)	(2,899,744)	(4,329,779)	(4,285,763)	(3,601,512)	(3,536,462)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	15	15	15	15	15
Receivables	1,073,829	1,583,240	2,141,638	2,600,388	2,682,829
Investments accounted for using the equity method	367,170	791,170	851,170	876,170	921,170
Other investments	4,209,812	4,209,812	4,228,475	4,503,475	4,803,475
Other financial assets	12,183	12,183	12,183	12,183	12,183
Total financial assets	5,663,009	6,596,420	7,233,481	7,992,231	8,419,672
Non-financial assets					
Land and buildings	229,260	224,151	218,972	213,558	208,264
Property, plant and equipment	310,310	320,693	320,608	309,947	298,238
Heritage and cultural assets	77,960	77,598	77,286	76,923	76,560
Intangibles	2,049	1,244	442	-	-
Inventories	2,403	2,403	2,403	2,403	2,403
Total non-financial assets	621,982	626,089	619,711	602,831	585,465
Total assets administered on behalf of Government	6,284,991	7,222,509	7,853,192	8,595,062	9,005,137
LIABILITIES					
Payables					
Suppliers	8,827	8,672	8,647	8,639	8,639
Subsidies	7,078	7,078	7,078	6,670	6,670
Grants	18,590	19,305	19,728	19,621	20,507
Other payables	231	308	315	320	470
Total payables	34,726	35,363	35,768	35,250	36,286
Provisions					
Employee provisions	3,449	3,454	3,558	3,665	3,775
Other provisions	2,697	2,697	2,697	2,697	2,697
Total payables	6,146	6,151	6,255	6,362	6,472
Total liabilities administered on behalf of Government	40,872	41,514	42,023	41,612	42,758
Net assets / (liabilities)	6,244,119	7,180,995	7,811,169	8,553,450	8,962,379

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	30,284	30,258	30,097	28,577	27,049
Dividends	94,259	97,900	102,700	127,800	146,500
Taxes	36,907	37,944	39,250	40,608	42,020
Fees	119,386	108,557	107,431	105,160	104,378
Fines	862	1,002	1,002	1,002	1,002
Other	65,712	140,429	7,870	7,988	8,245
Total cash received	347,410	416,090	288,350	311,135	329,194
Cash used					
Grant payments	2,843,122	4,189,254	4,063,361	3,488,917	3,564,935
Subsidies paid	227,715	244,508	246,870	242,800	244,979
Personal benefits	17,557	17,922	17,808	18,830	19,364
Suppliers	130,523	129,400	104,347	101,511	95,866
Payments to corporate entities	116,180	122,801	125,022	126,444	128,247
Other	315	-	-	-	-
Total cash used	3,335,412	4,703,885	4,557,408	3,978,502	4,053,391
Net cash from / (used by) operating activities	(2,988,002)	(4,287,795)	(4,269,058)	(3,667,367)	(3,724,197)
INVESTING ACTIVITIES					
Cash received					
Repayment of advances and loans	6,597	4,401	54,502	54,629	54,796
Total cash received	6,597	4,401	54,502	54,629	54,796
Cash used					
Purchase of property, plant and equipment	14,830	23,589	14,999	15,890	15,982
Advances and loans made	288,182	644,784	724,134	545,694	47,206
Investments	75,000	424,000	78,663	300,000	345,000
Total cash used	378,012	1,092,373	817,796	861,584	408,188
Net cash from / (used by) investing activities	(371,415)	(1,087,972)	(763,294)	(806,955)	(353,392)
Net increase / (decrease) in cash held	(3,359,417)	(5,375,767)	(5,032,352)	(4,474,322)	(4,077,589)
Cash and cash equivalents at beginning of reporting period	15	15	15	15	15
Cash from Official Public Account for:					
- Appropriations	3,611,592	5,230,707	5,283,354	4,750,502	4,372,630
- Special Accounts	101,982	565,627	91,995	89,730	88,949
	3,713,574	5,796,334	5,375,349	4,840,232	4,461,579
Cash to Official Public Account for:					
- Appropriations	(252,175)	145,060	(251,002)	(276,180)	(295,041)
- Special Accounts	(101,982)	(565,627)	(91,995)	(89,730)	(88,949)
	(354,157)	(420,567)	(342,997)	(365,910)	(383,990)
Cash and cash equivalents at end of reporting period	15	15	15	15	15

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act 1 (ACB)	16,761	23,589	14,999	15,890	15,982
Administered assets and liabilities - Bill 2	2,310,000	96,108	89,261	300,000	345,000
Total new capital appropriations	2,326,761	119,697	104,260	315,890	360,982
Provided for:					
Purchase of non-financial assets	16,761	34,697	25,597	15,890	15,982
Other items	2,310,000	85,000	78,663	300,000	345,000
Total items	2,326,761	119,697	104,260	315,890	360,982
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	-	11,108	10,598	-	-
Funded by capital appropriation - ACB (b)	14,830	23,589	14,999	15,890	15,982
Total	14,830	34,697	25,597	15,890	15,982
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	14,830	34,697	25,597	15,890	15,982
Total cash used to acquire assets	14,830	34,697	25,597	15,890	15,982

Prepared on Australian Accounting Standards basis.

Notes:

- (a) Includes both current and prior year appropriations.
- (b) Includes purchase from current and previous year's Administered Capital Budgets (ACBs).

Table 3.11: Schedule of administered asset movements (Budget year 2016-17)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016						
Gross book value	120,082	129,471	371,922	78,681	3,684	703,840
Accumulated depreciation/amortisation	-	(20,293)	(61,612)	(721)	(1,635)	(84,261)
Opening net book balance	120,082	109,178	310,310	77,960	2,049	619,579
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation ordinary annual services (a)	511	1,363	32,823	-	-	34,697
Total additions	511	1,363	32,823	-	-	34,697
Other movements						
Depreciation/amortisation expense	-	(6,983)	(22,440)	(362)	(805)	(30,590)
Total other movements	-	(6,983)	(22,440)	(362)	(805)	(30,590)
As at 30 June 2017						
Gross book value	120,593	130,834	404,745	78,681	3,684	738,537
Accumulated depreciation/amortisation	-	(27,276)	(84,052)	(1,083)	(2,440)	(114,851)
Closing net book balance	120,593	103,558	320,693	77,598	1,244	623,686

Prepared on Australian Accounting Standards basis.

Notes:

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for ACBs.

Appendix 3.1: Administered own-source revenue

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000
TAXATION REVENUE		
Other		
Airport land tax equivalents	30,958	32,208
Christmas Island phosphate mining rehabilitation - conservation levy	1,700	1,700
International Oil Pollution Compensation Funds	1,000	1,000
Services to Indian Ocean Territories	4,249	4,036
	37,907	38,944
NON-TAXATION REVENUE		
Sale of goods and rendering of services		
Services to Indian Ocean Territories	16,928	16,078
Services to Jervis Bay Territory	784	815
Sale of Jandakot sand	1,014	552
	18,726	17,445
Fees and fines		
<i>Coastal Trading (Revitalising Australian Shipping) Act 2012</i>	310	310
Cost recovery for Airport Building Controllers at leased airports	6,600	6,600
<i>Interstate Road Transport Act 1985</i> - registration charges and fines	71,002	71,002
Marine Navigation Levy	33,116	34,450
Marine Navigation (Regulatory Functions) Levy	49,719	51,722
Motor Vehicle Standards Regulations Fees	10,600	10,600
Part X of the <i>Competition and Consumer Act 2010</i>	24	22
Parking fines at leased Federal airports	860	1,000
Protection of the Sea Levy	33,053	34,384
Services to Indian Ocean Territories	2,714	2,577
	207,998	212,667
Interest		
Loan to Australian Capital Territory - loose fill asbestos	29,399	29,787
Norfolk Island	473	414
Northern Territory	3,776	3,617
Sewerage Agreements	123	1
WestConnex Stage 2	-	13,038
	33,771	46,857
Dividends		
Provision for dividends from government business enterprises	94,259	97,900
	94,259	97,900
Rental income		
Services to Indian Ocean Territories	3,290	3,125
Services to Jervis Bay Territory	263	268
Sydney West Airport - rental properties	750	-
	4,303	3,393
Other revenue		
Building Australia Fund	6,920	122,600
Cost recovery for Airport Environmental Officers at leased airports	1,991	2,091
MH370 - international contribution	50,024	-
Melbourne Airport New Runway Land Acquisition Special Account - Receipts	-	10,000
Services to Indian Ocean Territories	2,273	2,273
	61,208	136,964
Gains		
Other gains	748	786
	748	786
Total Administered own-source revenue	458,920	554,956

Appendix 3.2: Administered loan repayments

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000
Administered loan repayments		
Norfolk Island	1,455	1,230
Northern Territory	2,975	3,119
Sewerage Agreements	2,167	52
Total Administered loan repayments	6,597	4,401

Australian Maritime Safety Authority

Entity resources and planned performance

Australian Maritime Safety Authority

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AUSTRALIAN MARITIME SAFETY AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Maritime Safety Authority (AMSA) is a statutory authority established under the *Australian Maritime Safety Authority Act 1990* (AMSA Act) to:

- promote maritime safety and protection of the marine environment;
- prevent and combat ship-sourced pollution in the marine environment;
- provide infrastructure to support safety of navigation in Australian waters;
- provide a national search and rescue service to the maritime and aviation sectors;
- provide, on request, services to the maritime industry on a commercial basis; and
- provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or states and territories.

AMSA regularly assesses its operating environment, challenges, goals and risks to identify key priorities for coming years.

In 2016-17 AMSA will continue to focus on strategic objectives that reflect AMSA's statutory responsibilities, are consistent with the whole of government regulatory reform agenda and form the basis for the program objectives and outputs detailed in the following sections.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to AMSA for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for AMSA's operations) classification.

For more detailed information on special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Maritime Safety Authority resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	54,909	64,239
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	58,650	65,512
<i>Total annual appropriations</i>	<i>58,650</i>	<i>65,512</i>
Special appropriations (Department of Infrastructure and Regional Development)		
<i>Australian Maritime Safety Authority Act 1990 (b)(c)</i>	116,834	120,228
<i>Total special appropriations</i>	<i>116,834</i>	<i>120,228</i>
Amounts received from related entities (c)		
Department of Foreign Affairs and Trade	743	927
Department of Infrastructure and Regional Development	1,111	400
Torres Strait Regional Authority	1,800	-
<i>Total amounts received from related entities</i>	<i>3,654</i>	<i>1,327</i>
Total funds from Government	179,138	187,067
Funds from other sources		
Interest	1,716	1,485
Sale of goods and services	17,641	24,871
Total funds from other sources	19,357	26,356
Total net resourcing	253,404	277,662
	2015-16	2016-17
Average staffing level (number)	390	384

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive – these may not match figures in the cash flow statement.

AMSA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure and Regional Development, which are then paid to AMSA and are considered 'departmental' for all purposes.

Notes:

- (a) Appropriation Bill (No. 1) 2016-17.
- (b) Levies collected under *Marine Navigation Levy Collection Act 1989*, *Marine Navigation (Regulatory Function) Levy Collection Act 1991* and *Protection of the Sea (Shipping Levy) Collection Act 1981* are paid to the Consolidated Revenue Fund and appropriated under section 48 of AMSA Act.

- (c) Funding provided by a government entity that is not specified within the annual appropriation bills as a payment to the corporate Commonwealth entity.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to AMSA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures						
National System for Domestic Commercial Vessel Safety - staged implementation of cost recovery	1.1					
Departmental revenue		-	159	163	167	217
Total		-	159	163	167	217
Total revenue measures						
Departmental		-	159	163	167	217
Total		-	159	163	167	217
Expense measures						
Seacare Scheme - cost recovery arrangements	1.1					
Departmental expenses		nfp	nfp	nfp	nfp	nfp
Total		-	-	-	-	-
Total expense measures						
Departmental		-	-	-	-	-
Total		-	-	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for AMSA.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

AMSA contributes to one Outcome and one Program, which is divided into two sub-programs:

Sub-program 1: Seafarer and ship safety and environment protection aims to achieve the first part of AMSA's Outcome: *Minimising the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services.*

Sub-program 2: Search and rescue aims to achieve the second part of AMSA's Outcome: *Maximising the number of people saved from maritime and aviation incidents through search and rescue coordination.*

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.

Budgeted expenses for Outcome 1

This table below shows how much AMSA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Australian Maritime Safety Authority					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	58,650	65,512	70,490	71,782	73,503
Payments from related entities	3,654	1,327	506	-	-
Special Appropriation expenses <i>Australian Maritime Safety Authority Act 1990 - s48</i>	116,834	120,228	127,001	130,486	131,236
Revenues from other independent sources	19,357	26,356	8,591	9,296	9,425
Expenses not requiring appropriation in the Budget year (a)	5,770	1,690	8,287	4,029	4,145
Total expenses for Program 1.1	204,265	215,113	214,875	215,593	218,309
Outcome 1 Totals by appropriation type					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	58,650	65,512	70,490	71,782	73,503
Payments from related entities	3,654	1,327	506	-	-
Special Appropriation expenses	116,834	120,228	127,001	130,486	131,236
Revenues from other independent sources	19,357	26,356	8,591	9,296	9,425
Expenses not requiring appropriation in the Budget year (a)	5,770	1,690	8,287	4,029	4,145
Total expenses for Outcome 1	204,265	215,113	214,875	215,593	218,309
	2015-16	2016-17			
Average staffing level (number)	390	384			

Notes:

- (a) Expenses not requiring appropriation in the Budget year is made up of the operating result and the timing of accruals.

Table 2.2: Program components for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Sub-program 1.1.1: Seafarer and ship safety and environment					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	975	-	-	-	-
Payments from related entities	3,654	1,327	506	-	-
Special Appropriation expenses					
<i>Australian Maritime Safety Authority Act 1990 - s48</i>	108,680	111,769	118,065	121,305	122,002
Revenues from other independent sources	18,892	25,922	8,254	8,975	9,101
Expenses not requiring appropriation in the Budget year (a)	5,770	1,690	8,287	4,029	4,145
Total sub-program 1.1.1 expenses	137,971	140,708	135,112	134,309	135,248
Sub-program 1.1.2: Search and rescue					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	57,675	65,512	70,490	71,782	73,503
Special Appropriation expenses					
<i>Australian Maritime Safety Authority Act 1990 - s48</i>	8,154	8,459	8,936	9,181	9,234
Revenues from other independent sources	465	434	337	321	324
Total sub-program 1.1.2 expenses	66,294	74,405	79,763	81,284	83,061
Total program expenses	204,265	215,113	214,875	215,593	218,309

Notes:

- (a) Expenses not requiring appropriation in the Budget year is made up of the operating result and the timing of accruals.

Departmental appropriation splits and totals, by component, are indicative estimates and may change in the course of the Budget year as government priorities change.

Table 2.3: Performance criteria for Outcome 1

Table 2.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016–17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.		
Program 1.1 – Seafarer and ship safety, environment protection and search and rescue.		
Sub-program 1.1.1. Seafarer and ship safety and environment protection aims to minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services.		
Delivery	<p>Activity: ensuring regulated vessels are operated safely and meeting standards Target: vessel owners, vessel operators, seafarers</p> <p>Activity: preventing pollution from shipping Target: vessel owners, vessel operators, seafarers</p> <p>Activity: supporting safe navigation Target: vessel owners, vessel operators, commercial and recreational seafarers</p> <p>Activity: contributing to and implement international conventions Target: vessel owners, vessel operators, seafarers, international bodies (i.e., International Maritime Organization), other nations, other regulators (within Australia and internationally)</p> <p>Activity: ensuring seafarer competency and welfare Target: vessel owners, vessel operators, seafarers, education and training bodies</p> <p>Activity: building the National System for Domestic Commercial Vessel Safety Target: domestic vessel owners, vessel operators, seafarers</p>	
Performance information		
Year	Performance criteria (a)	Targets
2015-16	<p>Inspection rate of risk assessed eligible foreign flag ships under the port State control program meets the following targets:</p> <ul style="list-style-type: none"> - priority one ships - priority two ships - priority three ships - priority four ships <p>Extent to which inspections of high risk ships are conducted within specified timeframes</p> <p>Number of port and flag State ship inspections meets the following targets:</p> <ul style="list-style-type: none"> - All - Port State Inspections - Flag State Inspections 	<p>88% (target: 80%)</p> <p>70% (60%)</p> <p>60% (40%)</p> <p>39% (20%)</p> <p>100% (100%)</p> <p>10,400 (7,900)</p> <p>3,800 (3,000)</p> <p>94 (60)</p>

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Performance information (continued)		
Year	Performance criteria (a)	Targets
2015-16 (continued)	<p>Improvement in the standard of foreign flagged ships and Australian flagged ships (regulated under the <i>Navigation Act 2012</i>) operating in Australian waters, demonstrated through the:</p> <ul style="list-style-type: none"> - average number of deficiencies per inspection compared to a 10 year rolling average - percentage of ships detained as a proportion of all port State control inspections - proportion of serious incidents to total port arrivals - age (years) of ships coming to Australia relative to the age of the ships in the worldwide fleet <p>Regulatory measures introduced internationally or domestically are given effect within specified timeframes</p> <p>Reduction over time in the ratio of reports to AMSA under the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> of significant pollution incidents compared to the total number of ship port visits to Australia</p> <p>Availability of the marine aids to navigation network complies with the targets set out in the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) guidelines</p> <p>Improvement in the standard of foreign flagged ships and Australian flagged ships (regulated under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:</p> <ul style="list-style-type: none"> - average number of Maritime Labour Convention deficiencies per inspection compared to a rolling 10 year average - Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes <p>Further develop service delivery partnerships with jurisdictions and arrangements for the national maritime safety regulation system by June 2016</p>	<p>2.18 (≤ 3.25)</p> <p>6% ($\leq 7.5\%$)</p> <p>0.002 (≤ 0.05)</p> <p>8.4 (≤ 9.00)</p> <p>100% (100%)</p> <p>0% ($< 0.7\%$)</p> <p>99.97% (100%)</p> <p>0.31 (≤ 0.50)</p> <p>100% (100%)</p> <p>Achieved (targeted timeframe)</p>
2016-17	<p>Inspection rate of risk assessed eligible foreign flag ships under the port State control program meets the following targets:</p> <ul style="list-style-type: none"> - priority one ships - priority two ships - priority three ships - priority four ships <p>Extent to which inspections of high risk ships are conducted within specified timeframes</p> <p>Number of port and flag state ship inspections meets the following targets:</p> <ul style="list-style-type: none"> - All - Port State Inspections - Flag State Inspections 	<p>80%</p> <p>60%</p> <p>40%</p> <p>20%</p> <p>100%</p> <p>7,900</p> <p>3,000</p> <p>60</p>

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Performance information (continued)		
Year	Performance criteria (a)	Targets
2016-17 (continued)	<p>Improvement in the standard of foreign flagged ships and Australian flagged ships (regulated under the <i>Navigation Act 2012</i>) operating in Australian waters, demonstrated through the:</p> <ul style="list-style-type: none"> - average number of deficiencies per inspection compared to a 10 year rolling average - percentage of ships detained as a proportion of all port State control inspections - proportion of serious incidents to total port arrivals - age (years) of ships coming to Australia relative to the age of the ships in the worldwide fleet <p>Regulatory measures introduced internationally or domestically are given effect within specified timeframes</p> <p>Reduction over time in the ratio of reports to AMSA under the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> of significant pollution incidents compared to the total number of ship port visits to Australia</p> <p>Availability of marine aids to navigation network complies with the targets set out in the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) guidelines</p> <p>Improvement in the standard of foreign flagged ships and Australian flagged ships (regulated under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:</p> <ul style="list-style-type: none"> - average number of Maritime Labour Convention deficiencies per inspection compared to a rolling 10 year average - Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes <p><i>Assume responsibility for service delivery as the regulator for the National System for Domestic Commercial Vessel Safety by July 2017</i></p>	<p>≤3.25</p> <p>≤7.5%</p> <p>≤0.05</p> <p>≤9.00</p> <p>100%</p> <p><0.7%</p> <p>100%</p> <p>≤0.50</p> <p>100%</p>
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	<p>AMSA's purpose is reflected in AMSA's corporate plan as follows:</p> <p>Vision: <u>Safe and clean seas</u>, saving lives</p> <p>Mission: <u>Ensuring safe vessel operations, combatting marine pollution</u>, and rescuing people in distress</p> <p>Roles:</p> <ul style="list-style-type: none"> - promote maritime safety and protection of the marine environment - prevent and combat ship-sourced pollution in the marine environment - provide infrastructure to support safe navigation in Australian waters - provide, on request, services to the maritime industry on a commercial basis - provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or states and territories 	
<p>Material changes to Program 1.1 resulting from the following measures:</p> <ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 1.1, Sub-program 1.1.1. 		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Program 1.1 – Seafarer and ship safety, environment protection and search and rescue.		
Sub-program 1.1.2. Search and rescue aims to maximise the number of people saved from maritime and aviation incidents through coordinating search and rescue.		
Delivery	<p>Activity: pre-emptively intervene to assure vessel safety Target: vessel owners, vessel operators, seafarers</p> <p>Activity: saving lives daily through search and rescue Target: persons in distress/lives at risk, emergency services</p> <p>Activity: delivering an effective maritime incident response capability Target: vessel owners, vessel operators, seafarers, emergency services</p> <p>Activity: delivering an effective marine pollution response capability Target: vessel owners, vessel operators, seafarers, State and Territory government, emergency services</p>	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Maximise percentage of saved lives as a proportion of lives at risk (a person is defined as being at risk if the person has a chance of surviving the initial maritime or aviation incident)</p> <p>Provision of Rescue Coordination Centre with capacity to handle incidents and searches</p> <ul style="list-style-type: none"> - Incidents - Searches <p>Availability of distress and safety communications services</p> <p>Median time (minutes) for the Rescue Coordination Centre to initiate a response</p> <p>For incidents AMSA has search and rescue coordination responsibility for, the median time (minutes) for an asset to be on-scene:</p> <ul style="list-style-type: none"> - Daylight - Night 	<p>99% (target: 100%)</p> <p>7,300 (8,500)</p> <p>500 (740)</p> <p>99.95% (100%)</p> <p>27 (30)</p> <p>94 (150)</p> <p>140 (180)</p>
2016-17	<p>Maximise percentage of saved lives as a proportion of lives at risk (a person is defined as being at risk if the person has a chance of surviving the initial maritime or aviation incident)</p> <p>Provision of Rescue Coordination Centre with capacity to handle incidents and searches</p> <ul style="list-style-type: none"> - Incidents - Searches <p>Availability of distress and safety communications services</p> <p>Median time (minutes) for the Rescue Coordination Centre to initiate a response</p> <p>For incidents AMSA has search and rescue coordination responsibility for, the median time (minutes) for an asset to be on-scene:</p> <ul style="list-style-type: none"> - Daylight - Night <p>Maritime environmental response capability is available to respond to a pollution incident</p>	<p>100%</p> <p>8,500</p> <p>740</p> <p>100%</p> <p>30</p> <p>150</p> <p>180</p> <p>100%</p>
2017-18 and beyond	As per 2016-17	As per 2016-17

Purposes	Vision: Safe and <u>clean seas, saving lives</u> Mission: Ensuring safe vessel operations, <u>combatting marine pollution</u> , and <u>rescuing people in distress</u> Roles: <ul style="list-style-type: none">- promote maritime safety and protection of the marine environment- prevent and combat ship-sourced pollution in the marine environment- provide a national search and rescue service to the maritime and aviation sectors
Material changes to Program 1.1 resulting from the following measures: <ul style="list-style-type: none">• There are no new measures with a material impact on the performance information for Program 1.1, Sub-program 1.1.2.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of the Department's finances for the 2016–17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

AMSA is budgeting for an overall budget operating loss of \$17.5m. This comprises operating losses of \$1.3m, \$7.9m, \$4.3m and \$4.0m from 2016–17 through to 2019–20 respectively. The operating loss is primarily due to a downturn in shipping activity, reducing forecast levy revenue, and implementation costs for the National System for Domestic Commercial Vessel Safety.

To address these budget pressures and maintain the budget within the approved operating loss, AMSA has identified savings strategies that deliver expenditure reductions needed to offset the declining levy revenue.

While establishment costs for the National System for Domestic Commercial Vessel Safety are currently being met from AMSA reserves, an additional funding source will be required to ensure ongoing financial sustainability when AMSA assumes full responsibility for delivery of regulatory services on 1 July 2017.

AMSA's budget is underpinned by a projected retained surplus of approximately \$11.0m and projected cash balances of approximately \$59.0m which will be sufficient to meet AMSA's commitments as they fall due.

In 2015–16, AMSA is projecting an operating loss of \$7.0m, an increase of \$2.4m over the approved operating loss budget of \$4.6m. This is driven by a continued downturn in shipping activity which has resulted in a downward revision of levy revenue. Despite this result, AMSA will not exceed the approved total operating loss of \$24.5m.

AMSA revenue

AMSA's revenue sources are from levies collected from the shipping industry and appropriated under section 48 of the AMSA Act as Special Appropriations to fund AMSA's ship safety and environment protection functions and Community Service Obligation funding from the Australian Government for search and rescue coordination services for persons in aviation or maritime distress in Australia's internationally designated search and rescue region. AMSA receives revenue from independent sources that comprise fees and charges, funding for the National System for Domestic Commercial Vessel Safety, payments from related entities and from interest. In 2016–17, AMSA estimates total revenue of \$213.8m compared to \$200.0m in the 2015–16 Budget, as summarised in the table following.

AMSA revenue comparison

	2015-16 Budget (\$m)	2016-17 Budget (\$m)
AMSA revenue sources		
Special appropriations of levies collected from the shipping industry	121.2	120.6
Annual departmental appropriation for search and rescue functions	45.6	54.6
Annual departmental appropriation for search and rescue response	10.9	10.9
Revenue from budget measures	1.0	-
Revenue from independent sources (fees and charges and interest)	21.3	27.7
Total Revenue	200.0	213.8

Revenue from Government: levy funding

AMSA has three levies corresponding to its ship safety and environment protection functions:

- the Marine Navigation (Regulatory Function) Levy funds AMSA's shipping regulatory functions;
- the Marine Navigation Levy funds the national network of marine aids to navigation; and
- the Protection of the Sea Levy funds activities related to pollution and emergency response services.

In 2016-17, levy revenue is estimated to total \$120.6m, which is \$0.6m less than the 2015-16 Budget. This reduction is primarily due to reduced growth rate in shipping activity. Levy revenue growth for the 2016-17 Budget is 3.3 per cent - down 1.6 per cent from the 4.9 per cent growth projections in the previous Budget.

Revenue from Government

AMSA will receive an annual departmental appropriation of \$54.6m in 2016-17 for providing a search and rescue co-ordination service to the community. AMSA will also receive an annual departmental appropriation of \$10.9m in 2016-17 to cover the cost of search and rescue incidents.

During 2016-17 AMSA will transition to a new service provider for the dedicated airborne search and rescue capability. The increase in the annual departmental appropriation from 2015-16 reflects the cost of the new contract.

Funding of \$1.0m for the 'National Transport Regulatory reforms' ceases in 2015-16.

Appropriation comparison between 2016-17 and 2015-16

The table below compares the appropriations between the 2016–17 and 2015–16 Budgets:

	2015-16 Budget \$'000	2016-17 Budget \$'000
Appropriation Bill No. 1		
Departmental Outputs		
Australian Search and Rescue Function	45,606	54,584
Australian Search and Rescue Response	10,928	10,928
National Transport Reform – implementation assistance	975	-
Total	57,509	65,512
Special Appropriations		
Marine Navigation Levy	35,346	34,357
Regulatory Functions Levy	51,582	51,580
Protection of the Sea Levy	35,016	34,291
Total	121,944	120,228
Total Appropriations	179,453	185,740

Revenue from independent sources: sale of goods and services and interest

AMSA may make determinations fixing charges under section 47 of the AMSA Act, which requires these fees and charges to be reasonably related to the costs incurred by AMSA in their provision. AMSA has a range of services with charges based on the average cost of delivering a specific service or the time taken to deliver the service multiplied by a standard hourly rate. These services include:

- approvals, certificates and determinations for ships, cargo and ship safety equipment;
- activities involved with issuing certificates of competency to seafarers, including conducting practical oral examinations for navigation and engineering officers; and
- assessing sea time pre-requisites for qualifications, issuing and renewing coastal pilot licences and services provided by the Australian Shipping Registration Office.

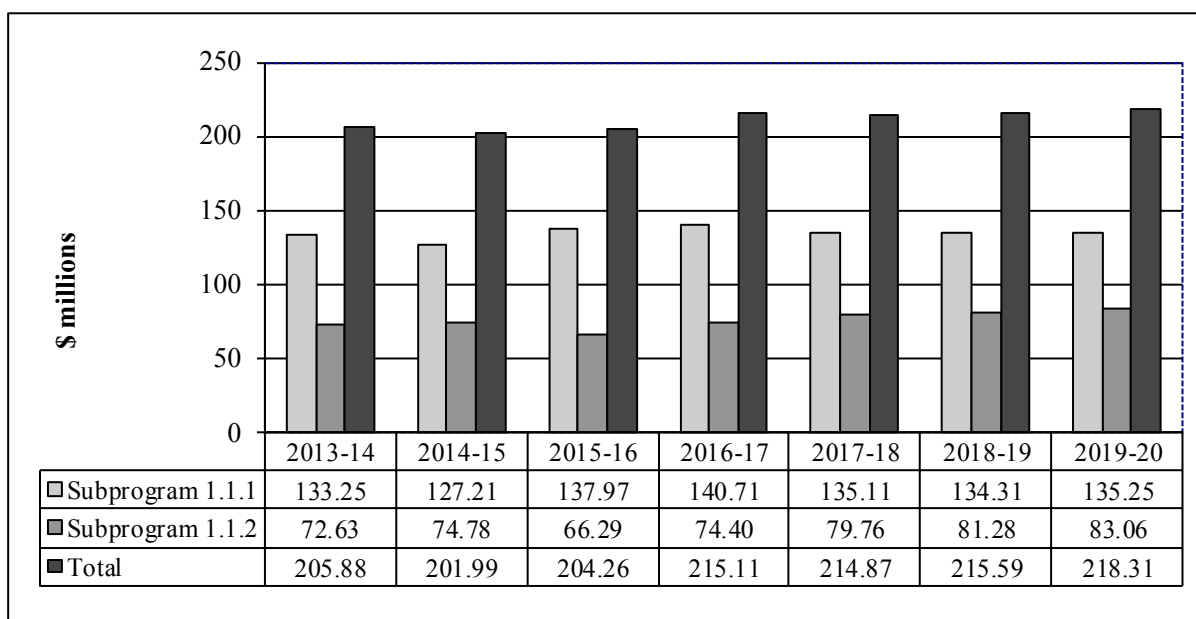
The 2016–17 Budget introduces fee-for-service charges of \$0.2m for the accreditation of marine surveyors and ad-hoc fees associated with the National System for Domestic Commercial Vessel Safety.

In 2016–17, AMSA's total estimated revenue from independent sources is \$27.7m (up \$6.4m compared to \$21.3m in 2015–16). This increase is primarily attributable to revenue expected from the anticipated recovery of \$8.2m for costs incurred by AMSA in responding to the 2010 *Shen Neng 1* pollution incident from the ship's insurers. This revenue is offset by the cessation of the Torres Strait Marine Pathways Program of \$1.8m. The total estimate of \$27.7m includes the sale of goods and services comprising \$22.4m, revenue for the National System for Domestic Commercial Vessel Safety of \$3.9m and interest of \$1.4m.

Resources for AMSA's output groups

Chart 3.1.1 shows the resources allocated to AMSA's two sub-programs since 2013-14:

Chart 3.1.1: Trends in resources for AMSA sub-programs

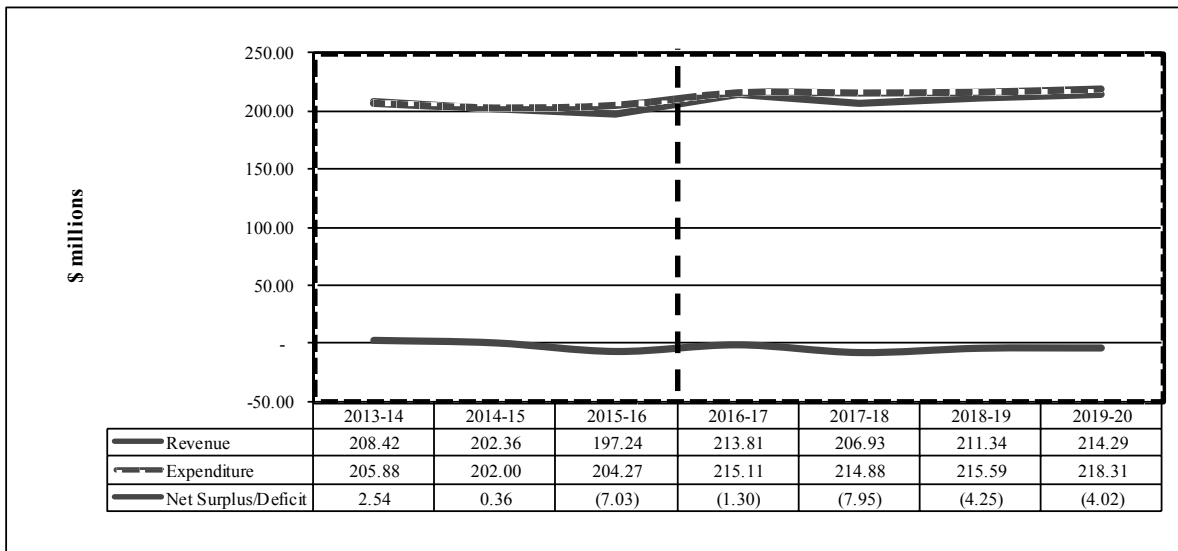


Revenue/expense comparison

Chart 3.1.2 shows the overall trend in AMSA's revenue and expenses since 2013-14. The variation in revenue and expenses since 2013-14 is largely due to:

- the higher rate of the Protection of the Sea (PSL) Levy in 2013-14;
- the reduction of the rate of the PSL to 11.25 cents per net registered tonne in 2014-15;
- revision of revenue projections driven by economic parameters in 2014-15 to 2019-20;
- implementation costs for the National System for Domestic Commercial Vessel Safety from 2015-16 to 2019-20;
- cessation of revenue for the National Regulator for Domestic Commercial Vessel Safety collected from various States under interim service arrangements from 2017-18;
- cessation of state and Northern Territory annual contributions for the implementation of the National System for Domestic Commercial Vessel Safety from 2017-18; and
- the expected recovery of clean-up costs for the *Shen Neng 1* pollution incident from the ship's insurers in 2016-17.

Chart 3.1.2: AMSA revenue and expenses



3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	61,735	60,366	62,137	64,656	67,613
Suppliers	129,049	139,657	136,572	135,424	135,395
Depreciation and amortisation	13,481	15,090	16,166	15,513	15,301
Total expenses	204,265	215,113	214,875	215,593	218,309
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	20,964	26,341	8,067	8,236	8,455
Interest	1,736	1,400	1,000	1,000	1,000
Total own-source revenue	22,700	27,741	9,067	9,236	9,455
Total own-source income	22,700	27,741	9,067	9,236	9,455
Net (cost of) / contribution by services	(181,565)	(187,372)	(205,808)	(206,357)	(208,854)
Revenue from Government	174,538	186,068	197,861	202,108	204,839
Surplus / (Deficit) attributable to the Australian Government	(7,027)	(1,304)	(7,947)	(4,249)	(4,015)
Total comprehensive income / (loss) attributable to the Australian Government	(7,027)	(1,304)	(7,947)	(4,249)	(4,015)

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	64,239	53,187	51,414	54,713	59,361
Trade and other receivables	5,258	7,580	7,540	7,410	7,390
Total financial assets	69,497	60,767	58,954	62,123	66,751
Non-financial assets					
Land and buildings	22,417	21,480	20,544	19,715	18,937
Property, plant and equipment	125,310	124,742	120,839	117,695	113,552
Intangibles	12,446	22,702	19,735	16,580	13,596
Inventories	5,699	6,875	7,673	8,489	9,023
Other non-financial assets	7,049	6,230	6,740	6,720	6,770
Total non-financial assets	172,921	182,029	175,531	169,199	161,878
Total assets	242,418	242,796	234,485	231,322	228,629
LIABILITIES					
Payables					
Suppliers	35,830	36,800	36,210	36,450	36,460
Other payables	1,437	1,572	1,708	1,844	2,116
Total payables	37,267	38,372	37,918	38,294	38,576
Provisions					
Employee provisions	17,285	17,160	17,720	18,350	19,290
Other provisions	5,416	6,120	5,650	5,730	5,830
Total provisions	22,701	23,280	23,370	24,080	25,120
Total liabilities	60,049	61,731	61,367	62,453	63,775
Net assets	182,369	181,065	173,118	168,869	164,854
EQUITY					
Contributed equity	37,986	37,986	37,986	37,986	37,986
Reserves	116,014	116,014	116,014	116,014	116,014
Retained surplus / (accumulated deficit)	28,369	27,065	19,118	14,869	10,854
Total equity	182,369	181,065	173,118	168,869	164,854

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserve \$'000	Pollution reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016						
Balance carried forward from previous period	28,369	104,130	1,500	10,384	37,986	182,369
Adjusted opening balance	28,369	104,130	1,500	10,384	37,986	182,369
Comprehensive income						
Surplus / (deficit) for the period	(1,304)	-	-	-	-	(1,304)
Total comprehensive income	(1,304)	-	-	-	-	(1,304)
of which:						
Attributable to the Australian Government	(1,304)	-	-	-	-	(1,304)
Estimated closing balance as at 30 June 2017	27,065	104,130	1,500	10,384	37,986	181,065
Closing balance attributable to the Australian Government	27,065	104,130	1,500	10,384	37,986	181,065

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	58,650	65,512	70,490	71,782	73,503
Sale of goods and rendering of services	35,844	37,132	20,987	20,656	21,025
Interest	1,716	1,485	1,050	1,000	1,000
Other	116,834	120,228	127,001	130,486	131,236
Total cash received	213,044	224,357	219,528	223,924	226,764
Cash used					
Employees	63,069	60,356	61,441	63,890	66,401
Suppliers	140,697	151,210	151,500	148,350	148,319
Total cash used	203,766	211,566	212,941	212,240	214,720
Net cash from / (used by) operating activities	9,278	12,791	6,587	11,684	12,044
INVESTING ACTIVITIES					
Cash received					
Other	15,000	-	-	-	-
Total cash received	15,000	-	-	-	-
Cash used					
Purchase of property plant and equipment and intangibles	14,948	23,841	8,360	8,385	7,396
Total cash used	14,948	23,841	8,360	8,385	7,396
Net cash from / (used by) investing activities	52	(23,841)	(8,360)	(8,385)	(7,396)
FINANCING ACTIVITIES					
Cash used					
Other	-	2	-	-	-
Total cash used	-	2	-	-	-
Net cash from / (used by) financing activities	-	(2)	-	-	-
Net increase / (decrease) in cash held	9,330	(11,052)	(1,773)	3,299	4,648
Cash and cash equivalents at the beginning of the reporting period	54,909	64,239	53,187	51,414	54,713
Cash and cash equivalents at the end of the reporting period	64,239	53,187	51,414	54,713	59,361

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,277	5,779	-	-	-
Funded internally from departmental resources (b)	13,671	18,062	8,360	8,385	7,396
Total	14,948	23,841	8,360	8,385	7,396
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	14,948	23,841	8,360	8,385	7,396
Total cash used to acquire assets	14,948	23,841	8,360	8,385	7,396

Prepared on Australian Accounting Standards basis.

Notes:

- (a) Includes both current and prior year appropriations.
- (b) Includes funding from prior year appropriations, entity receipts, and proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Land \$'000	Buildings \$'000	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016					
Gross book value	3,770	19,349	136,376	14,159	173,654
Accumulated depreciation/amortisation and impairment	-	(702)	(11,066)	(1,713)	(13,481)
Opening net book balance	3,770	18,647	125,310	12,446	160,173
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	-	10,833	13,008	23,841
Total additions	-	-	10,833	13,008	23,841
Other movements					
Depreciation/amortisation expense	-	(937)	(11,401)	(2,752)	(15,090)
Total other movements	-	(937)	(11,401)	(2,752)	(15,090)
As at 30 June 2017					
Gross book value	3,770	19,349	147,209	27,167	197,495
Accumulated depreciation/amortisation and impairment	-	(1,639)	(22,467)	(4,465)	(28,571)
Closing net book balance	3,770	17,710	124,742	22,702	168,924

Prepared on Australian Accounting Standards basis.

Australian Transport Safety Bureau

Entity resources and planned performance

Australian Transport Safety Bureau

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AUSTRALIAN TRANSPORT SAFETY BUREAU

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

KEY ELEMENTS OF THE ATSB'S STRATEGIC DIRECTION

The ATSB is an independent statutory agency of the Australian Government. It is governed by a Commission and is entirely separate from transport regulators, policy makers and service providers. At the same time, it is required to cooperate with others who have a role to play in maintaining and improving transport safety, in particular its counterpart agencies in Victoria and New South Wales.

The ATSB performs its functions in accordance with the provisions of the *Transport Safety Investigation Act 2003* (TSI Act) and, where applicable, relevant international agreements. The TSI Act makes it clear that, in carrying out its purpose, the ATSB cannot apportion blame, assist in determining liability or, as a general rule, assist in court proceedings. Its sole focus remains the prevention of future accidents and the improvement of safety.

The ATSB's purpose is to improve the safety of, and public confidence in, aviation, marine and rail transport through:

- the independent investigation of transport accidents and other safety occurrences;
- safety data recording, analysis and research; and
- fostering safety awareness, knowledge and action.

The ATSB is responsible for investigating accidents and other transport safety matters involving civil aviation, marine and rail operations in Australia, as well as participating in overseas investigations involving Australian-registered aircraft and ships and cooperating more broadly with overseas counterparts. A primary focus of its work is the safety of commercial transport, with particular regard to operations involving the travelling public.

The ATSB maintains a national information set of all safety-related occurrences in aviation and of all accidents and significant safety occurrences in the rail and marine sectors. The information it holds is essential to its capacity to analyse broad safety trends and inform its investigation and safety education work, as well as constituting an important public information resource.

The ATSB has a specific mandate to report publicly on its analysis and investigations, and to conduct public education programs so as to improve transport safety.

To achieve its primary outcome, the ATSB will implement the following strategies.

- Maintain its capability and effectiveness through attracting, retaining and developing professional staff and delivering those investigations of accidents and safety occurrences that have the greatest potential to deliver improved transport safety outcomes, with a particular focus on the safety of the travelling public.

- Enhance stakeholder relationships, with a particular focus on ensuring a strong culture of reporting safety matters through transparent arrangements for the appropriate reporting, sharing and use of safety information.
- Deliver a program of safety research and analysis that draws on the results of investigations and safety occurrence datasets.
- Undertake safety communication and education with an emphasis on identified priority areas where safety risk can be reduced.
- Engage with and, as appropriate, provide support to regional and international partners, focussing on developing cooperation in our region and on ensuring that safety lessons and operational innovations are shared internationally.
- Continue the transition to being the national rail safety investigator, as established through the Council of Australian Governments' Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform.

Detailed information about the ATSB's primary outcome, key strategies, deliverables and performance indicators is published in the ATSB Corporate Plan at www.atsb.gov.au.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the ATSB for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for the ATSB's operations) classification.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Transport Safety Bureau resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	17,983	17,941
Departmental appropriation	68,218	18,169
s74 retained revenue receipts (c)	33,479	910
Departmental capital budget (d)	356	356
Annual appropriations - other services - non-operating (e)		
Equity injection	371	-
<i>Total departmental annual appropriations</i>	<i>120,407</i>	<i>37,376</i>
Total departmental resourcing	120,407	37,376
Total resourcing	120,407	37,376
	2015-16	2016-17
Average staffing level (number)	105	96

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive - these may not match figures in the cash flow statement.

Notes:

- (a) Appropriation Bill (No. 1) 2016-17.
- (b) Includes unspent appropriations available from prior years. Excludes amounts subject to quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2016-17.

Third party payments from and on behalf of other entities

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 retained revenue receipts section above)		
Department of Foreign Affairs and Trade	969	150
Payments made by other entities on behalf of the Department (disclosed above within administered appropriations)		
Department of Infrastructure and Regional Development	16,717	2,610
Geoscience Australia	2,853	-

1.3 BUDGET MEASURES

There are no Budget measures relating to the ATSB detailed in Budget Paper No. 2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

This table is not provided as there have been no measures since MYEFO for the ATSB.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for the ATSB.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved transport safety in Australia including through: independent 'no blame' investigation of transport accidents and other safety occurrences; safety data recording, analysis and research; and fostering safety awareness, knowledge and action.

Budgeted expenses for Outcome 1

This table below shows how much the ATSB intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Australian Transport Safety Bureau					
Departmental expenses					
Departmental appropriation	68,218	18,169	18,050	18,090	18,390
s74 retained revenue receipts (a)	33,437	952	760	760	760
Expenses not requiring appropriation in the Budget year (b)	34,499	3,238	3,130	2,856	2,782
Total departmental expenses	136,154	22,359	21,940	21,706	21,932
Total expenses for Program 1.1	136,154	22,359	21,940	21,706	21,932
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	68,218	18,169	18,050	18,090	18,390
s74 retained revenue receipts (a)	33,437	952	760	760	760
Expenses not requiring appropriation in the Budget year (b)	34,499	3,238	3,130	2,856	2,782
Total departmental expenses	136,154	22,359	21,940	21,706	21,932
Total expenses for Outcome 1	136,154	22,359	21,940	21,706	21,932
	2015-16	2016-17			
Average staffing level (number)	105	96			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) Expenses not requiring appropriation the Budget year is made up of depreciation and amortisation expense estimates, estimates of the value of the services that the ATSB will receive free of charge from the Victorian Chief Investigator, Transport Safety, the NSW Office of Transport Safety Investigations and the Australian National Audit Office and an approved operating loss for the 2015-16 financial year mainly due to timing differences between revenue being received and expenses occurring.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved transport safety in Australia including through: independent ‘no blame’ investigation of transport accidents and other safety occurrences; safety data recording, analysis and research; and fostering safety awareness, knowledge and action.		
Program 1.1 – The ATSB will work actively with the aviation, marine and rail industries, transport regulators and governments at a state, national and international level to improve transport safety standards for all Australians, particularly the travelling public. Investigations and related activities seek to raise awareness of identified safety issues and to encourage stakeholders to implement actions to improve future safety.		
Delivery	<p>The key deliverables for the ATSB to meet its primary outcome are given below.</p> <ul style="list-style-type: none"> Assess, classify and publish summaries of accident and incident occurrences received. Details of occurrences being investigated are published within one working day. Summaries of aviation occurrences are ready to be published in the public online database within ten working days of receipt. Assess confidential reports for clarity, completeness and significance for transport safety and, where appropriate, advise within six weeks any responsible party in a position to take safety action in response to the safety concern. Complete and publish up to 60 more complex investigations and up to 100 short investigations per annum. Complete and publish the annual Aviation Occurrence Statistics report and other research publications as informed by the annual research program. Reports on aviation safety trends will be provided to the Minister and safety entities twice per year. Ensure preparedness for a major accident by reviewing and testing major accident response and management capabilities through participation in one major exercise per annum. Assist transport safety in the international region, through direct cooperation and the delivery of approved projects and other support activities provided for by program funding agreements. The ATSB will continue to assist the Malaysian Government with its investigation into the disappearance of Malaysia Airlines Flight 370 (MH370) in accordance with Annex 13 to the Convention on International Civil Aviation. The ATSB will continue to work with primary and secondary stakeholders in relation to decisions made by Governments in relation to the search and/or potential recovery operations of MH370. 	
Performance information		
Year	Performance criteria	Targeted rates (Forecast rates):
2015-16	<p>The ATSB’s forecast rates against its targeted rates for 2015-16 are as follows:</p> <p>KPI1</p> <p>Safety actions completed that address safety issues identified by ATSB investigation reports:</p> <p>Critical safety issues.</p> <p>All other safety issues.</p> <p>KPI2</p> <p>Complex investigation reports are published within 12 months.</p>	<p>100% (100%)</p> <p>70% (60%)</p> <p>90% (40%)</p>

Performance information		
Year	Performance criteria	Targeted rates (Forecast rates):
2015-16 (continued)	<p>KPI3 Short investigation reports are completed within two months.</p> <p>KPI4 Stakeholder awareness of safety issues is raised as a result of investigation, research and analysis findings and through safety education activities as measured through a biennial survey—scored on a 7-point rating scale.</p> <p>KPI5 Safety action is taken by stakeholders to address valid safety concerns identified in confidential reports.</p>	<p>90% (50%)</p> <p>5 or higher on a biennial basis (5 minimum)</p> <p>70% actioned (80% actioned)</p>
2016-17	<p>In 2016-17 the ATSB's performance will be measured against the following targets:</p> <p>KPI1 Safety actions completed that address safety issues identified by ATSB investigation reports: Critical safety issues. All other safety issues.</p> <p>KPI2 Complex investigation reports are published within 12 months.</p> <p>KPI3 Short investigation reports are completed within two months.</p> <p>KPI4 Stakeholder awareness of safety issues is raised as a result of investigation, research and analysis findings and through safety education activities as measured through a biennial survey—scored on a 7-point rating scale.</p> <p>KPI5 Safety action is taken by stakeholders to address valid safety concerns identified in confidential reports.</p>	<p>100%</p> <p>70%</p> <p>90%</p> <p>90%</p> <p>5 or higher on a biennial basis</p> <p>70% actioned</p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	<p>Improve the safety of, and public confidence in, aviation, marine and rail transport through:</p> <ul style="list-style-type: none"> the independent 'no blame' investigation of transport accidents and other safety occurrences; and safety data recording, analysis and research fostering safety awareness, knowledge and action. 	
<p>Material changes to Program 1.1 resulting from the following measures:</p> <ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 1.1. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ATSB's finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The ATSB is planning for a break-even operating result, adjusted for depreciation and amortisation expense, in 2016-17 and the forward years.

Revenue

Net appropriation revenue of \$18.2m will be provided to the ATSB in 2016-17.

The comprehensive income statement also includes estimates of the ATSB's own source revenue of \$3.1m which includes:

- estimates of cost recoveries from Western Australia, South Australia and Tasmania for safety investigations we undertake on their intrastate rail networks (\$0.7m);
- revenue from the Department of Foreign Affairs and Trade for the ATSB's participation in Australian Government transport safety initiatives including capability building activities as part of the Indonesia Transport Safety Assistance Package (\$0.2m);
- estimates of cost recoveries for training that the ATSB provides to industry; and
- estimates of the value of the services the ATSB will receive free of charge from the Victorian Chief Investigator, Transport Safety, the NSW Office of Transport Safety Investigations and the Australian National Audit Office (\$2.1m).

Expenses

- Budgeted operating expenditure in 2016-17 is \$22.4m, comprised of employee expenses (64%), supplier expenses (31%) and depreciation (5%).
- Depreciation and amortisation expenses are expected to decline over the forward estimates period, as the Departmental Capital Budget has decreased over time, reducing the amount of capital purchased and therefore the associated depreciation and amortisation expense will decrease.

Budgeted departmental balance sheet

The ATSB's budgeted balance sheet at 30 June 2017 reflects the expected balances for its assets and liabilities as well as retained earnings and contributed equity, based on the projected operating result for 2015-16 and the Budget year.

Financial Assets

The ATSB's largest financial asset is \$17.1m in prior year appropriations.

Non-Financial Assets

These comprise of plant, equipment and intangible software assets utilised by the ATSB, the largest component of which is the entity's investment in its Safety Investigation Information Management System. This is shown in the line Intangibles.

Provisions and Payables

The ATSB's primary liability is accrued employee leave entitlements, shown in the line Employee provisions.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	14,741	14,220	13,988	13,866	14,202
Suppliers	120,197	7,016	6,937	7,101	7,065
Depreciation and amortisation	1,213	1,121	1,013	739	665
Finance costs	3	2	2	-	-
Total expenses	136,154	22,359	21,940	21,706	21,932
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	33,437	952	760	760	760
Other	10,117	2,117	2,117	2,117	2,117
Total own-source revenue	43,554	3,069	2,877	2,877	2,877
Total own-source income	43,554	3,069	2,877	2,877	2,877
Net (cost of) / contribution by services	(92,600)	(19,290)	(19,063)	(18,829)	(19,055)
Revenue from Government	68,218	18,169	18,050	18,090	18,390
Surplus / (Deficit) attributable to the Australian Government	(24,382)	(1,121)	(1,013)	(739)	(665)
Total comprehensive income / (loss) attributable to the Australian Government	(24,382)	(1,121)	(1,013)	(739)	(665)
Note: Impact of net cash appropriation arrangements					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income / (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(23,169)	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,213	1,121	1,013	739	665
Total comprehensive income / (loss) - as per Statement of Comprehensive income	(24,382)	(1,121)	(1,013)	(739)	(665)

Prepared on Australian Accounting Standards basis.

Notes:

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	863	821	821	821	821
Trade and other receivables	27,437	27,437	27,437	27,437	27,437
Other financial assets	76	76	76	76	76
Total financial assets	28,376	28,334	28,334	28,334	28,334
Non-financial assets					
Property, plant and equipment	1,184	683	333	254	199
Intangibles	3,253	2,975	2,679	2,391	2,160
Other non-financial assets	137	137	137	137	137
Total non-financial assets	4,574	3,795	3,149	2,782	2,496
Total assets	32,950	32,129	31,483	31,116	30,830
LIABILITIES					
Payables					
Suppliers	9,604	9,602	9,600	9,600	9,600
Other payables	11,605	11,563	11,563	11,563	11,563
Total payables	21,209	21,165	21,163	21,163	21,163
Provisions					
Employee provisions	4,549	4,549	4,549	4,549	4,549
Other provisions	74	76	78	78	78
Total provisions	4,623	4,625	4,627	4,627	4,627
Total liabilities	25,832	25,790	25,790	25,790	25,790
Net assets	7,118	6,339	5,693	5,326	5,040
EQUITY					
Contributed equity	12,749	13,091	13,458	13,830	14,209
Reserves	3,442	3,442	3,442	3,442	3,442
Retained surplus / (accumulated deficit)	(9,073)	(10,194)	(11,207)	(11,946)	(12,611)
Total equity	7,118	6,339	5,693	5,326	5,040

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(9,073)	3,442	12,749	7,118
Adjusted opening balance	(9,073)	3,442	12,749	7,118
Comprehensive income				
Surplus / (deficit) for the period	(1,121)	-	-	(1,121)
Total comprehensive income	(1,121)	-	-	(1,121)
of which:				
Attributable to the Australian Government	(1,121)	-	-	(1,121)
Transactions with owners				
<i>Contribution by owners</i>				
Departmental Capital Budget (DCBs)	-	-	356	356
Other	-	-	(14)	(14)
Sub-total transactions with owners	-	-	342	342
Estimated closing balance as at 30 June 2017	(10,194)	3,442	13,091	6,339
Closing balance attributable to the Australian Government	(10,194)	3,442	13,091	6,339

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	90,992	18,169	18,050	18,090	18,390
Sale of goods and rendering of services	33,479	910	760	760	760
Other	391	350	350	-	-
Total cash received	124,862	19,429	19,160	18,850	19,150
Cash used					
Employees	14,741	14,220	13,988	13,866	14,202
Suppliers	110,078	5,251	5,172	4,984	4,948
Borrowing costs	1	-	-	-	-
Total cash used	124,820	19,471	19,160	18,850	19,150
Net cash from / (used by) operating activities	42	(42)	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property plant and equipment and intangibles	727	356	371	372	379
Total cash used	727	356	371	372	379
Net cash from / (used by) investing activities	(727)	(356)	(371)	(372)	(379)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	727	356	371	372	379
Total cash received	727	356	371	372	379
Net cash from / (used by) financing activities	727	356	371	372	379
Net increase / (decrease) in cash held	42	(42)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	821	863	821	821	821
Cash and cash equivalents at the end of the reporting period	863	821	821	821	821

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	356	356	371	372	379
Equity injections - Bill 2	371	-	-	-	-
Total new capital appropriations	727	356	371	372	379
Provided for:					
Purchase of non-financial assets	727	356	371	372	379
Total items	727	356	371	372	379
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	371	-	-	-	-
Funded by capital appropriations - DCB	356	356	371	372	379
Total	727	356	371	372	379
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	727	356	371	372	379
Total cash used to acquire assets	727	356	371	372	379

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016			
Gross book value	4,695	9,413	14,108
Accumulated depreciation/amortisation and impairment	(3,511)	(6,160)	(9,671)
Opening net book balance	1,184	3,253	4,437
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	145	211	356
Total additions	145	211	356
Other movements			
Depreciation/amortisation expense	(646)	(475)	(1,121)
Other	-	(14)	(14)
Total other movements	(646)	(489)	(1,135)
As at 30 June 2017			
Gross book value	4,840	9,610	14,450
Accumulated depreciation/amortisation and impairment	(4,157)	(6,635)	(10,792)
Closing net book balance	683	2,975	3,658

Prepared on Australian Accounting Standards basis.

Notes:

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for DCBs.

Civil Aviation Safety Authority

**Entity resources and planned
performance**

Civil Aviation Safety Authority

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CIVIL AVIATION SAFETY AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Civil Aviation Safety Authority (CASA) is an independent statutory authority established in 1995 under the *Civil Aviation Act 1988*. The main object of this Act is to establish a regulatory framework for maintaining, enhancing and promoting the safety of civil aviation, with particular emphasis on preventing aviation accidents and incidents.

In accordance with the *Civil Aviation Act 1988* and the regulations, CASA has the function of conducting the safety regulation of:

- the civil air operations in Australian territory; and
- the operation of Australian aircraft outside Australian territory.

While safety regulation of civil aviation remains its primary role, CASA also provides safety education and training programs and has responsibility for airspace regulation.

AUSTRALIAN GOVERNMENT PRIORITIES AND CASA'S COMMITMENT TO AVIATION SAFETY

The Australian Government is committed to maintaining and enhancing safety as its number one priority in aviation. As Australia's aviation safety regulator, CASA will support the Australian Government to maintain, enhance and promote the safety of civil aviation through the application of a detailed risk-based approach with particular emphasis to deliver the goals as set out in Table 2.2: Performance criteria for Outcome 1.

CASA will ensure the directions of the Australian Government, as presented in the Minister's Statement of Expectations, are implemented effectively and efficiently. CASA's corporate plan fully details the activities and initiatives to be undertaken by the organisation to meet the expectations.

The Australian Government has set out some clear objectives relevant to CASA including:

- to maintain and improve Australia's excellent safety record;
- to better manage the impact of aviation activity on communities and the environment; and
- to engage clearly, openly and effectively with the aviation industry to continuously improve Australia's aviation safety regulation system.

CASA's comprehensive planning framework fully incorporates the Australian Government direction and ensures the relevant requirements are implemented effectively and efficiently. CASA aims to achieve its commitment to aviation safety through its three key goals. They are:

- to maintain and enhance a fair, effective and efficient aviation safety regulation system;
- to engage with the wider aviation community to promote and support a positive safety culture; and
- continuous improvement of organisational performance.

Each CASA goal is supported through a number of key performance areas (KPA) and indicators (KPI). The progress and achievement against the KPIs is monitored by a comprehensive performance management and reporting process. CASA will continue its commitment to making further improvements to the way it operates and continuously strive to achieve its high-level goals.

CHALLENGING AVIATION TRENDS AND IMPLICATIONS FOR CASA

The aviation landscape is growing in complexity, including through the entry of additional international and low cost operators, the rapid increase in remotely piloted aircraft systems, ongoing competition for safety critical staff, an ageing fleet at the smaller end of the industry and an increasing number of passengers flying every year. Like other safety regulators around the world, CASA faces all these key challenges and is cognisant of the need to ensure that safety-related considerations are at the forefront of CASA's regulatory actions for the benefit of the aviation community.

As a key priority, CASA continues to develop and implement new safety standards and regulations, taking into account the Australian Government's regulatory reform agenda. CASA will stay abreast of changes within the aviation industry by carefully analysing safety and operational data to look for trends and emerging risks which need to be addressed. This approach will further focus CASA on its core activity - the regulation of aviation safety.

CASA'S FUNDING STRATEGY

CASA receives funding from three major sources: a Government annual appropriation; a 3.556 cent per litre excise on aviation fuel consumed by all domestic aircraft (all of which is provided to CASA); and regulatory service fees.

This funding strategy, which has essentially been in place since 2010-11, will be reviewed to ensure that CASA has consistent and stable long term funding available to undertake its on-going safety related functions.

COST RECOVERY ARRANGEMENTS

CASA collects fees for regulatory services in accordance with the *Civil Aviation (Fees) Regulations 1995*.

There will be no increases to the amounts charged for fixed fees or hourly rates in 2016-17.

The following table shows budgeted revenue from CASA's cost recovery arrangements.

	Estimated Actual	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m
Regulatory service fees	14.1	15.0	15.0	15.0	15.0
ASIC/ AVID issue and renewal (a)	1.5	1.5	1.5	1.5	1.5
Total	15.6	16.5	16.5	16.5	16.5

(a) Aviation Security Identification Cards (ASIC) and Aviation Verification of Identity (AVID) cards.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to CASA for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for CASA's operations) classification.

For more detailed information on special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Civil Aviation Safety Authority resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	65,569	51,012
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	42,461	42,350
<i>Total annual appropriations</i>	<i>42,461</i>	<i>42,350</i>
Special appropriations (Department of Infrastructure and Regional Development)		
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988</i>	116,577	121,412
<i>Total special appropriations</i>	<i>116,577</i>	<i>121,412</i>
Total funds from Government	159,038	163,762
Funds from industry sources		
Regulatory service fees	14,147	15,000
Total funds from industry sources	14,147	15,000
Funds from other sources		
Interest	1,582	1,600
Sale of goods and services (b)	1,500	1,500
Other	1,306	1,178
Total funds from other sources	4,388	4,278
Total net resourcing	243,142	234,052
	2015-16	2016-17
Average staffing level (number)	795	805

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive - these may not match figures in the cash flow statement.

CASA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure and Regional Development, which are then paid to CASA and are considered 'departmental' for all purposes.

Notes:

(a) Appropriation Bill (No. 1) 2016-17.

(b) Includes revenue from the issuance of ASIC and AVID cards.

1.3 BUDGET MEASURES

There are no Budget measures relating to CASA detailed in Budget Paper No. 2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

This table is not provided as there have been no measures since MYEFO for CASA.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for CASA.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.

Budgeted expenses for Outcome 1

This table below shows how much CASA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Civil Aviation Safety Authority					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	42,461	42,350	42,311	42,311	42,247
Special Appropriation expenses					
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988</i>	117,200	121,800	125,600	129,500	133,500
Revenue from industry sources	17,111	17,500	17,500	17,500	17,500
Revenues from other independent sources	1,582	1,600	1,600	1,700	1,750
Expenses not requiring appropriation in the Budget year (a)	8,813	(22)	(17)	(13)	(10)
Total expenses for Program 1.1	187,167	183,228	186,994	190,998	194,987
Outcome 1 Totals by appropriation type					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	42,461	42,350	42,311	42,311	42,247
Special Appropriation expenses	117,200	121,800	125,600	129,500	133,500
Revenue from industry sources	17,111	17,500	17,500	17,500	17,500
Revenues from other independent sources	1,582	1,600	1,600	1,700	1,750
Expenses not requiring appropriation in the Budget year (a)	8,813	(22)	(17)	(13)	(10)
Total expenses for Outcome 1	187,167	183,228	186,994	190,998	194,987
	2015-16	2016-17			
Average staffing level (number)	795	805			

Notes:

- (a) Expenses not requiring appropriation in the Budget year is made up of the operating result and the timing of accruals.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Maximise aviation safety through a regulatory regime, detailed technical material on safety standards, comprehensive aviation industry oversight, risk analysis, industry consultation, education and training.		
Program 1.1		
The following three goals represent the goods and services produced by the program in delivering its outcome.		
1. Maintain and enhance a fair, effective and efficient aviation safety regulation system		
CASA will focus its efforts on maintaining, enhancing and promoting aviation safety, as set out in the <i>Civil Aviation Act 1988</i> and in accordance with all Government directions. CASA's work will centre on enhancing oversight and surveillance, continuing the Regulatory Implementation Program, continuing to reform the Australian administered airspace and continuing effective enforcement to secure compliance with safety standards.		
2. Collaborative engagement with the wider aviation community to promote and support a positive safety culture		
CASA maintains a constructive working relationship with other Australian Government agencies and promotes effective collaboration through consultation and communication with the wider aviation community. Through its consultative forums, feedback channels, educational efforts and promotional campaigns, CASA engages in a clear, open and transparent manner with the aviation industry to continuously improve the regulatory framework and be a partner in supporting and promoting a positive aviation safety culture.		
3. Continuous improvement of organisational performance		
CASA closely monitors its organisational performance and seeks to continually improve its operational activities, regulatory services and other support functions. CASA is adopting a comprehensive quality management systems approach to drive continuous improvement across all facets of the organisation.		
Delivery	CASA has five key performance areas (KPAs) through which it will deliver its outcome. The detailed key performance indicators to measure success against these five KPAs are outlined in full in the CASA Corporate Plan.	
Performance information		
Year	Performance criteria	Targets
2015-16	Number of accidents per hours flown is reduced, by industry sector. Number of incidents per hours flown is reduced, by industry sector. Clear, open and transparent engagement with the industry to support the continuous improvement of an efficient and effective aviation safety regulatory framework.	Reducing trend (a) Reducing trend (a) On target. Detailed performance indicators are contained in the Corporate Plan and will be reported against in the Annual Performance Statement.
2016-17	Number of accidents per hours flown by industry sector. Number of incidents per hours flown by industry sector. Clear, open and transparent engagement with the industry to support the continuous improvement of an efficient and effective aviation safety regulatory framework.	Reducing trend Reducing trend Overall improvement to the 2015 industry survey and acceptance of CASAs annual performance report by the independent performance review panel.

Performance information		
Year	Performance criteria	Targets
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	<p>CASA is Australia's aviation safety regulator and is a corporate Commonwealth entity under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) and was established on 6 July 1995 under the <i>Civil Aviation Act 1988</i> (the Act). The main object of the Act is to establish a regulatory framework for maintaining, enhancing and promoting the safety of civil aviation, with particular emphasis on preventing aviation accidents and incidents.</p> <p>CASA's key role is to conduct the safety regulation of civil air operations in Australian territory and the operation of Australian aircraft outside Australian territory. CASA is also responsible for ensuring that Australian-administered airspace is administered and used safely.</p> <p>CASA, the Australian Transport Safety Bureau, the Department of Infrastructure and Regional Development, Airservices Australia and the Department of Defence constitute Australia's aviation safety framework, each with separate and distinct functions, but working together as an integrated system.</p> <p>In keeping with CASA's fundamental obligations, efforts are maintained and promoted at all times to ensure our decision-making and actions are lawful, fair, reasonable and consistent, and in all cases contribute to optimal safety outcomes, while not unnecessarily impeding the efficient operation of entities that we regulate.</p>	
<p>Material changes to Program 1.1 resulting from the following measures:</p> <ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 1.1. 		

- (a) This key performance indicator relies on the availability of data which is not published by the Bureau of Infrastructure, Transport and Regional Economics (BITRE) until after 30 June each year. As a result, no forecast outcome for 2015-16 can be determined.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of CASA's finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

2015-16

CASA is budgeting for an operating deficit in 2015-16 of \$8.8m, which is less than the approved operating deficit of \$10.0m. The smaller than anticipated deficit is mainly due to a decrease in employee expenses resulting from a lower than forecast average staffing level.

2016-17

CASA is planning a small operating surplus in 2016-17. The 2016-17 Budget staffing level is forecast to be 805 and there will be some targeted reductions in supplier expenses.

Forward Years

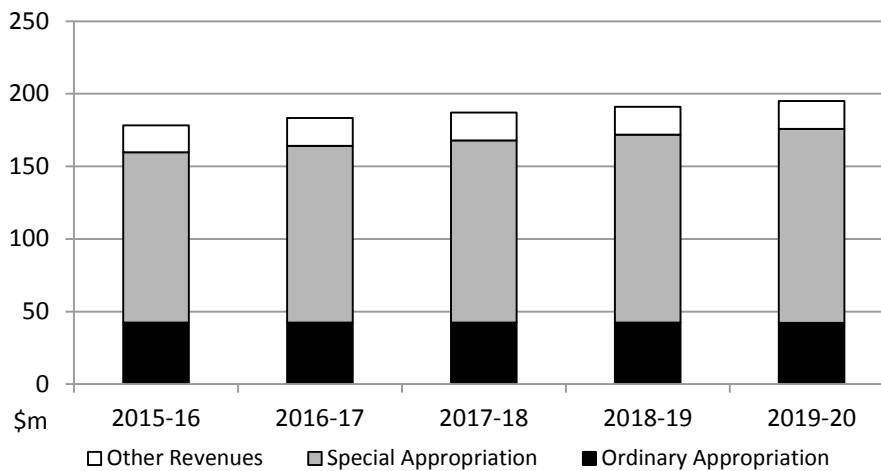
CASA is budgeting for small operating surpluses in the forward years with the Special Appropriation for aviation fuel excise forecast to grow at around 3.1% per annum.

Depreciation expenditure will steadily increase in line with CASA's capital program and employee expenses will continue to increase as a result of anticipated pay rises under the next enterprise agreement.

A review of the funding arrangements for CASA is being undertaken to identify a model that will deliver greater financial stability for the organisation into the future.

Chart 3.1 illustrates CASA's revenue funding. Revenue from special appropriations will increase by 3.9% in the Budget year and 3.1% in the forward years.

Chart 3.1: Revenue



Total expenses in 2016–17 are estimated to be \$183.2m, a decrease of \$3.9m when compared to the anticipated outcome for 2015–16. The main movements in the major expense categories are:

- employee expenses are remaining stable at \$120.0m;
- depreciation expenses increasing by \$0.7m, reflecting an increase in capital expenditure in 2015–16; and
- supplier expenses decreasing by \$4.9m as a result of ongoing targeted savings measures.

Budgeted departmental balance sheet

CASA’s net asset (or equity) position for 2016–17 is forecast to be largely unchanged with a small increase compared to 2015–16, consistent with the anticipated small operating surplus and projected capital investment.

Chart 3.2 illustrates CASA’s budgeted asset profile. Total budgeted assets of \$97.0m in 2016–17 represents a decrease of \$3.0m from the estimated 2015–16 closing position.

Chart 3.2: Budgeted Assets for 2016-17

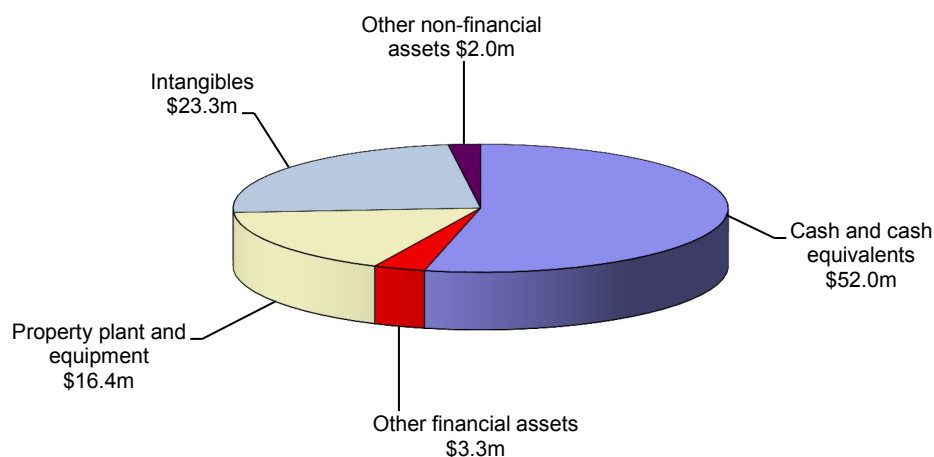
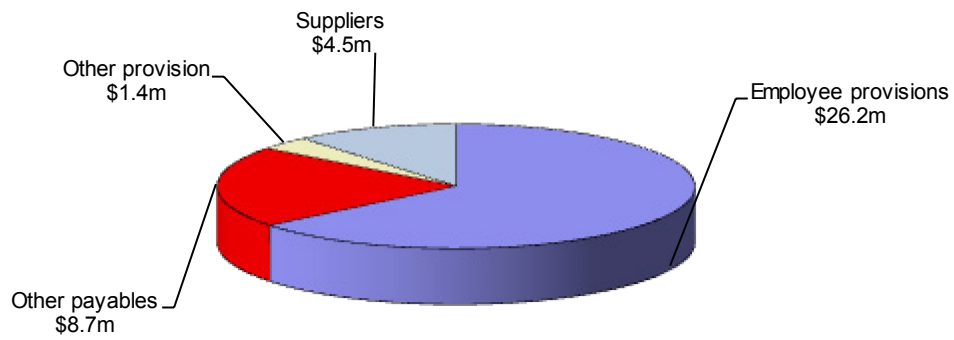


Chart 3.3 illustrates CASA's budgeted liabilities profile. Total budgeted liabilities of \$40.8m in 2016-17 represents a decrease of \$3.1m from the estimated 2015-16 closing position. CASA's primary liability continues to be accrued employee leave entitlements of \$26.2m.

Chart 3.3: Budgeted Liabilities for 2016-17



3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	119,803	119,978	123,145	125,589	128,081
Suppliers	54,777	49,922	50,653	50,185	51,803
Depreciation and amortisation	12,587	13,328	13,196	15,224	15,103
Total expenses	187,167	183,228	186,994	190,998	194,987
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	15,647	16,500	16,500	16,500	16,500
Interest	1,582	1,600	1,600	1,700	1,750
Other	1,464	1,000	1,000	1,000	1,000
Total own-source revenue	18,693	19,100	19,100	19,200	19,250
Total own-source income	18,693	19,100	19,100	19,200	19,250
Net (cost of) / contribution by services	(168,474)	(164,128)	(167,894)	(171,798)	(175,737)
Revenue from Government	159,661	164,150	167,911	171,811	175,747
Surplus / (Deficit) attributable to the Australian Government	(8,813)	22	17	13	10
Total comprehensive income / (loss) attributable to the Australian Government	(8,813)	22	17	13	10

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,000	10,000	10,000	10,000	10,000
Trade and other receivables	1,469	1,409	1,420	1,417	1,443
Investments	41,012	42,023	41,376	43,088	40,719
Other financial assets	1,475	1,866	1,917	1,983	2,775
Total financial assets	53,956	55,298	54,713	56,488	54,937
Non-financial assets					
Property, plant and equipment	17,413	16,350	15,386	14,816	16,545
Intangibles	26,416	23,294	25,488	24,877	26,096
Other non-financial assets	2,246	2,042	2,072	2,052	2,119
Total non-financial assets	46,075	41,686	42,946	41,745	44,760
Total assets	100,031	96,984	97,659	98,233	99,697
LIABILITIES					
Payables					
Suppliers	4,984	4,531	4,598	4,555	4,703
Other payables	8,203	8,694	8,734	8,771	9,503
Total payables	13,187	13,225	13,332	13,326	14,206
Provisions					
Employee provisions	29,334	26,227	26,778	27,345	27,919
Other provisions	1,430	1,430	1,430	1,430	1,430
Total provisions	30,764	27,657	28,208	28,775	29,349
Total liabilities	43,951	40,882	41,540	42,101	43,555
Net assets	56,080	56,102	56,119	56,132	56,142
EQUITY					
Contributed equity	3,295	3,295	3,295	3,295	3,295
Reserves	8,938	8,938	8,938	8,938	8,938
Retained surplus / (accumulated deficit)	43,847	43,869	43,886	43,899	43,909
Total equity	56,080	56,102	56,119	56,132	56,142

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	43,847	8,938	3,295	56,080
Adjusted opening balance	43,847	8,938	3,295	56,080
Comprehensive income				
Surplus / (deficit) for the period	22	-	-	22
Total comprehensive income	22	-	-	22
of which:				
Attributable to the Australian Government	22	-	-	22
Closing balance as at 30 June 2017	43,869	8,938	3,295	56,102
Closing balance attributable to the Australian Government	43,869	8,938	3,295	56,102

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	42,461	42,350	42,311	42,311	42,247
Sale of goods and rendering of services	15,647	16,500	16,500	16,500	16,500
Interest	1,582	1,600	1,600	1,700	1,750
Other	117,883	122,590	126,537	130,438	133,682
Total cash received	177,573	183,040	186,948	190,949	194,179
Cash used					
Employees	124,235	122,716	122,553	124,986	126,775
Suppliers	54,359	50,170	50,616	50,208	51,722
Total cash used	178,594	172,886	173,169	175,194	178,497
Net cash from / (used by) operating activities	(1,021)	10,154	13,779	15,755	15,682
INVESTING ACTIVITIES					
Cash used					
Purchase of property plant and equipment and intangibles	13,536	9,143	14,426	14,043	18,051
Total cash used	13,536	9,143	14,426	14,043	18,051
Net cash from / (used by) investing activities	(13,536)	(9,143)	(14,426)	(14,043)	(18,051)
Net increase / (decrease) in cash held	(14,557)	1,011	(647)	1,712	(2,369)
Cash and cash equivalents at the beginning of the reporting period	65,569	51,012	52,023	51,376	53,088
Cash and cash equivalents at the end of the reporting period	51,012	52,023	51,376	53,088	50,719

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	13,536	9,143	14,426	14,043	18,051
Total	13,536	9,143	14,426	14,043	18,051
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	13,536	9,143	14,426	14,043	18,051
Total cash used to acquire assets	13,536	9,143	14,426	14,043	18,051

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016			
Gross book value	23,532	79,383	102,915
Accumulated depreciation/amortisation and impairment	(6,119)	(52,967)	(59,086)
Opening net book balance	17,413	26,416	43,829
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	4,575	4,568	9,143
Total additions	4,575	4,568	9,143
Other movements			
Depreciation/amortisation expense	(5,638)	(7,690)	(13,328)
Total other movements	(5,638)	(7,690)	(13,328)
As at 30 June 2017			
Gross book value	28,107	83,951	112,058
Accumulated depreciation/amortisation and impairment	(11,757)	(60,657)	(72,414)
Closing net book balance	16,350	23,294	39,644

Prepared on Australian Accounting Standards basis.

Appendix 3.1: Total budgeted revenue

	2015-16	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000	\$'000
Ordinary Appropriation from Government	42,461	42,350	42,311	42,311	42,247
Special Appropriation	117,200	121,800	125,600	129,500	133,500
Appropriations from Government	159,661	164,150	167,911	171,811	175,747
Regulatory service fees	14,147	15,000	15,000	15,000	15,000
Other cost recovery and purchase provider arrangements	1,500	1,500	1,500	1,500	1,500
Interest	1,582	1,600	1,600	1,700	1,750
Other	1,464	1,000	1,000	1,000	1,000
Revenue from other sources	18,693	19,100	19,100	19,200	19,250
Total revenue	178,354	183,250	187,011	191,011	194,997

Infrastructure Australia

Entity resources and planned performance

Infrastructure Australia

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INFRASTRUCTURE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Infrastructure Australia is a statutory authority established on 1 September 2014 following amendment of the *Infrastructure Australia Act 2008*. Infrastructure Australia's primary role is to support the Australian Government's plan to build a strong and prosperous economy. This is to be done through the provision of high quality independent advice concerning nationally significant infrastructure matters. This advice is for the Australian Government, and in turn, all levels of government, industry and stakeholders.

In accordance with the outcome in Section 2 of this document, "Outcomes and Planned Performance", Infrastructure Australia is responsible for providing independent advice for:

- improved decision-making on infrastructure matters;
- better identification and assessment of key drivers of infrastructure demand and utilisation;
- improved prioritisation of infrastructure projects; and
- the identification, implementation and promotion of best practice infrastructure planning, financing, delivery and operation.

The key priorities for Infrastructure Australia in 2016–17 are:

- continue to undertake evaluations on all infrastructure proposals where funding of more than \$100 million is sought from the Commonwealth. This includes economic and social infrastructure proposals but excludes defence proposals;
- regularly update and further develop the Infrastructure Priority List. This priority list will be informed by the other work of Infrastructure Australia, in particular the Australian Infrastructure Audit, the Australian Infrastructure Plan and evaluation of infrastructure proposals;
- development of further advice, through the development of research papers, on the recommendations in the Australian Infrastructure Plan (delivered in 2015–16);
- development and maintenance of data sources to inform future plans and priority lists; and
- continue to establish and develop the corporate capabilities to support Infrastructure Australia's role as an independent entity that provides high quality advice.

The Australian Infrastructure Plan (delivered in 2015–16) identifies reform and investment priorities to be implemented in the coming 15 years, to increase productivity and support economic growth.

The plan was informed by the outcomes of the Northern Australia Audit, the Australian Infrastructure Audit, evaluations of infrastructure project proposals and input from Jurisdictions, industry and community stakeholders.

The plan will be updated at least every five years. In 2016–17, Infrastructure Australia will play an active role in ongoing research and collaboration initiatives that promote and develop effective data and information sharing, analysis and benchmarking. In particular, Infrastructure Australia will undertake initiatives to maintain the currency of its data to inform future Audits, plans, priority lists and project evaluations.

Following the establishment of Infrastructure Australia's new corporate and governance structures in 2014-15, the entity will continue to develop its corporate capabilities in 2016-17 to fulfil its duties as an independent body. This will include the ongoing implementation of a number of corporate systems, structures and processes as well as a modest increase in staffing.

Additional priorities of Infrastructure Australia in 2016-17 include:

- continue to evolve the frameworks utilised by jurisdictions in submitting proposals to Infrastructure Australia for evaluation to promote best practice in infrastructure planning, procurement and delivery. This will include consideration of costs and benefits and the appropriate assessment of wider benefits (in addition to direct benefits) providing guidance on how these should be measured and applied, if required;
- promote best practice in the planning, funding, delivery and operations of infrastructure through leadership on regulatory reform objectives;
- through engagement with all levels of government and industry, facilitate the continual evolution of planning and procurement practices by contributing to a repository of data, information and knowledge on the nation's infrastructure resources, requirements, delivery and practices; and
- continue to establish and maintain productive working relationships with all levels of government and industry. This includes engaging closely with Commonwealth departments, agencies and entities as well as states, territories, local governments, investors in infrastructure, owners of infrastructure and communities - as the end users of infrastructure.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to Infrastructure Australia for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for Infrastructure Australia's operations) classification.

For more detailed information on special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Infrastructure Australia resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	-	3,582
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	11,768	11,581
<i>Total annual appropriations</i>	<i>11,768</i>	<i>11,581</i>
Special appropriations (Department of Infrastructure and Regional Development)		
<i>Infrastructure Australia Amendment Act 2014</i>	4,342	-
<i>Total special appropriations</i>	<i>4,342</i>	<i>-</i>
Total funds from Government	16,110	11,581
Funds from other sources		
Interest	3	14
Total funds from other sources	3	14
Total net resourcing	16,113	15,177
	2015-16	2016-17
Average staffing level (number)	16	25

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive – these may not match figures in the cash flow statement.

Infrastructure Australia is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure and Regional Development, which are then paid to Infrastructure Australia and are considered 'departmental' for all purposes.

Notes:

(a) Appropriation Bill (No. 1) 2016-17.

1.3 BUDGET MEASURES

There are no Budget measures relating to Infrastructure Australia detailed in Budget Paper No. 2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

This table is not provided as there have been no measures since MYEFO for Infrastructure Australia.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for Infrastructure Australia.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation.

Budgeted expenses for Outcome 1

This table below shows how much Infrastructure Australia intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Infrastructure Australia					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	11,768	11,581	8,781	8,828	8,888
Special Appropriation expenses					
<i>Infrastructure Australia Amendment Act 2014</i>	4,342	-	-	-	-
Revenues from other independent sources	3	14	14	14	14
Expenses not requiring appropriation in the Budget year (a)	(4,342)	-	-	-	-
Total expenses for Program 1.1	11,771	11,595	8,795	8,842	8,902
Outcome 1 Totals by appropriation type					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	11,768	11,581	8,781	8,828	8,888
Special Appropriation expenses	4,342	-	-	-	-
Revenues from other independent sources	3	14	14	14	14
Expenses not requiring appropriation in the Budget year (a)	(4,342)	-	-	-	-
Total expenses for Outcome 1	11,771	11,595	8,795	8,842	8,902
	2015-16	2016-17			
Average staffing level (number)	16	25			

Notes:

- (a) Expenses not requiring appropriation in the Budget year is made up of accruals associated with funding from the special appropriation.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016–17 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Improve decision-making on matters relating to infrastructure; advise governments and others on matters relating to infrastructure, including better assessment of infrastructure needs and prioritisation of infrastructure projects; and promote best practice infrastructure planning, financing, delivery and operation.</p>		
<p>Program 1.1 – Infrastructure Australia will contribute to the Government’s objective of supporting competitiveness, driving productivity and enhancing quality of life, through the provision of high quality advice.</p>		
<p>Delivery</p>	<p>Infrastructure Australia will provide high quality independent advice on nationally significant infrastructure matters to the Australian Government and in turn, all levels of government, industry and stakeholders. This advice will be prepared in consultation with all levels of government, industry stakeholders and the community – as the end users of infrastructure. This advice will include published project evaluations, infrastructure priority lists, published research and other initiatives.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<p>Complete and deliver a 15 year national infrastructure plan that identifies priority investment initiatives and reforms that will increase productivity and support economic growth. <i>Expected achievement:</i> The Australian Infrastructure plan was published on 17 February 2016.</p> <p>Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than \$100 million is sought from the Commonwealth. <i>Expected achievement:</i> It is expected Infrastructure Australia will have assessed project proposals in 2015-16.</p> <p>Regularly update and further develop the Infrastructure Priority List. <i>Expected achievement:</i> A refreshed Infrastructure Priority List was published alongside the Australian Infrastructure Plan on 17 February 2016.</p> <p>Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure. <i>Expected achievement:</i> Best practice recommendations in relation to the planning, delivery and operation of infrastructure were presented in the Australian Infrastructure Plan, published on 17 February 2016.</p>	<p>Delivery of the Australian Infrastructure Plan to Government. <i>Expected achievement:</i> The Australian Infrastructure plan was published on 17 February 2016.</p> <p>Evaluations of project proposals completed and a summary of these evaluations published on Infrastructure Australia's website. <i>Expected achievement:</i> It is expected that summary of evaluations completed in 2015-16 will be published on the Infrastructure Australia website in accordance with statutory obligations.</p> <p>Publication of an updated Infrastructure Priority List. <i>Expected achievement:</i> A refreshed Infrastructure Priority List was published alongside the Australian Infrastructure Plan on 17 February 2016.</p> <p>Delivery of research and other initiatives that provide leadership on regulatory reform objectives and promote best practice in the planning, funding and delivery of infrastructure. <i>Expected achievement:</i> Best practice recommendations in relation to the planning, funding, delivery and operation of infrastructure were presented in the Australian Infrastructure Plan, published on 17 February 2016.</p>

Table 2.2: Performance criteria for Outcome 1 (continued)

Performance information		
Year	Performance criteria	Targets
2015-16 (continued)	Evaluate applications for designation under the Tax Loss Incentive for Designated Infrastructure Projects as required by Subdivision 415-C of the <i>Income Tax Assessment Act 1997</i> . <i>Expected achievement:</i> Infrastructure Australia has the necessary frameworks and resourcing available to evaluate any applications received in the period.	Evaluate applications for designation under the Tax Loss Incentive for Designated Infrastructure Projects as required by Subdivision 415-C of the <i>Income Tax Assessment Act 1997</i> . <i>Expected achievement:</i> Infrastructure Australia has the necessary frameworks and resourcing available to evaluate any applications received in the period.
2016-17	Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than \$100 million is sought from the Commonwealth. Regularly update and further develop the Infrastructure Priority List. Undertake research initiatives that promote best practice in the planning, funding, delivery and operations of infrastructure. Evaluate applications for designation under the Tax Loss Incentive for Designated Infrastructure Projects as required by Subdivision 415-C of the <i>Income Tax Assessment Act 1997</i> .	Evaluations of project proposals completed and a summary of these evaluations published on Infrastructure Australia's website. Publication of an updated Infrastructure Priority List. Delivery of research and other initiatives that provide leadership on regulatory reform objectives and promote best practice in the planning, funding, delivery and operation of infrastructure. Evaluation of applications for designation under the Tax Loss Incentive for Designated Infrastructure Projects as required by Subdivision 415-C of the <i>Income Tax Assessment Act 1997</i> .
2017-18 and beyond	Evaluate project proposals on all infrastructure proposals, excluding defence projects, where funding of more than \$100 million is sought from the Commonwealth. Regularly update and further develop the Infrastructure Priority List. Undertake research initiatives that promote best practice in the planning, funding and delivery of infrastructure.	Evaluations of project proposals completed and a summary of these evaluations published on Infrastructure Australia's website. Publication of an updated Infrastructure Priority List. Delivery of research and other initiatives that provide leadership on regulatory reform objectives and promote best practice in the planning, funding, delivery and operation of infrastructure.
Purposes	Infrastructure Australia provides independent research and high quality advice to all levels of government, as well as investors and owners of infrastructure, on Australia's requirements for nationally significant infrastructure. Infrastructure Australia provides advice and advocates for reforms on key issues including financing, delivering and operating infrastructure as well as the identification and promotion of best practice planning and utilisation of Australia's infrastructure networks.	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 1.1. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of Infrastructure Australia's finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

Infrastructure Australia's expected expense budget is \$11.6m in 2016-17 and \$8.8m in 2017-18.

In 2016-17 Infrastructure Australia will continue to develop its corporate capability to support the provision of independent advice. This will include the growth of the internal capability of the organisation through a modest increase in staffing.

An expense budget of \$11.6m is expected in 2016-17, reflecting the work programs for Infrastructure Australia in 2016-17, including the provision of advice on nationally significant infrastructure matters, evaluation of project proposals and development of further research regarding the identification and application of best practice planning delivery and operation of Australia's infrastructure networks.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	4,642	5,339	5,207	5,311	5,417
Suppliers	7,107	6,235	3,569	3,531	3,485
Depreciation and amortisation	22	21	19	-	-
Total expenses	11,771	11,595	8,795	8,842	8,902
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	3	14	14	14	14
Total own-source revenue	3	14	14	14	14
Total own-source income	3	14	14	14	14
Net (cost of) / contribution by services	(11,768)	(11,581)	(8,781)	(8,828)	(8,888)
Revenue from Government	11,768	11,581	8,781	8,828	8,888
Surplus / (Deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income / (loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,582	4,080	4,039	3,928	3,764
Trade and other receivables	31	31	31	31	31
Total financial assets	3,613	4,111	4,070	3,959	3,795
Non-financial assets					
Property, plant and equipment	40	19	-	-	-
Other non-financial assets	1,112	862	612	362	112
Total non-financial assets	1,152	881	612	362	112
Total assets	4,765	4,992	4,682	4,321	3,907
LIABILITIES					
Payables					
Suppliers	253	275	267	209	100
Other payables	1,315	1,345	1,043	740	435
Total payables	1,568	1,620	1,310	949	535
Provisions					
Employee provisions	59	234	234	234	234
Total provisions	59	234	234	234	234
Total liabilities	1,627	1,854	1,544	1,183	769
Net assets	3,138	3,138	3,138	3,138	3,138
EQUITY					
Contributed equity	(1,263)	(1,263)	(1,263)	(1,263)	(1,263)
Retained surplus / (accumulated deficit)	4,401	4,401	4,401	4,401	4,401
Total equity	3,138	3,138	3,138	3,138	3,138

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016			
Balance carried forward from previous period	4,401	(1,263)	3,138
Adjusted opening balance	4,401	(1,263)	3,138
Comprehensive income			
Surplus / (deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2017	4,401	(1,263)	3,138
Closing balance attributable to the Australian Government	4,401	(1,263)	3,138

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,768	11,581	8,781	8,828	8,888
Interest	3	14	14	14	14
Other	4,342	-	-	-	-
Total cash received	16,113	11,595	8,795	8,842	8,902
Cash used					
Employees	4,703	5,148	5,204	5,310	5,417
Suppliers	7,206	5,963	3,327	3,339	3,344
Other	622	(14)	305	304	305
Total cash used	12,531	11,097	8,836	8,953	9,066
Net cash from / (used by) operating activities	3,582	498	(41)	(111)	(164)
Net increase / (decrease) in cash held	3,582	498	(41)	(111)	(164)
Cash and cash equivalents at the beginning of the reporting period	-	3,582	4,080	4,039	3,928
Cash and cash equivalents at the end of the reporting period	3,582	4,080	4,039	3,928	3,764

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

This table is not provided as Infrastructure Australia has nothing to report in the Departmental capital budget statement.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Buildings \$'000	Property, plant and equipment \$'000	Total \$'000
As at 1 July 2016			
Gross book value	51	83	134
Accumulated depreciation/amortisation and impairment	(51)	(43)	(94)
Opening net book balance	-	40	40
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	-	-	-
Total additions	-	-	-
Other movements			
Depreciation/amortisation expense	-	(21)	(21)
Total other movements	-	(21)	(21)
As at 30 June 2017			
Gross book value	51	83	134
Accumulated depreciation/amortisation and impairment	(51)	(64)	(115)
Closing net book balance	-	19	19

Prepared on Australian Accounting Standards basis.

National Capital Authority

Entity resources and planned performance

National Capital Authority

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NATIONAL CAPITAL AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Capital Authority (NCA) is established under the *Australian Capital Territory (Planning and Land Management) Act 1988* (the PALM Act).

The PALM Act prescribes the NCA's powers and functions and makes it subject to general Ministerial direction. The Minister for Major Projects, Territories and Local Government administers the PALM Act.

The NCA performs a special role as trustee of the National Capital and, in this capacity, serves the interests of the Australian Government, the nation and its people. The NCA is responsible for shaping the National Capital into the future, as well as caring for the special parts of Canberra and educating and informing all Australians about our National Capital.

The functions of the NCA are set out in section 6 of the PALM Act and include:

- *to prepare and administer a National Capital Plan;*
- *to keep the National Capital Plan under constant review and to propose amendments to it when necessary;*
- *on behalf of the Commonwealth, to commission works to be carried out in Designated Areas in accordance with the National Capital Plan where neither a Department of State of the Commonwealth nor any Commonwealth authority has the responsibility to commission those works;*
- *to recommend to the Minister the carrying out of works that the NCA considers desirable to maintain or enhance the character of the National Capital;*
- *to foster an awareness of Canberra as the National Capital;*
- *with the Minister's approval, to perform planning services for any person or body, whether within Australia or overseas; and*
- *with the Minister's approval, on behalf of the Commonwealth, to manage National Land designated in writing by the Minister as land required for the special purposes of Canberra as the National Capital.*

These functions provide the necessary administrative framework to:

- support the planning, design and development of the nationally significant parts of Canberra;
- develop and conduct programs that inform and educate all Australians of the unique characteristics and importance of Canberra as their National Capital; and
- manage Commonwealth assets on behalf of the Australian Government.

In 2014, the *National Land (Road Transport) Ordinance 2014* also established the National Capital Authority as the administering authority for enforcement of parking regulations on National Land. The NCA now manages the pay parking arrangements on behalf of the Australian Government, including the enforcement of breaches of parking regulations.

The NCA's key priorities in 2016-17 include:

- planning and designing the areas of special national importance in Canberra;
- informing and educating the community about the importance of Canberra as the National Capital; and
- management and enhancement of assets on National Land.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NCA for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the NCA's operations) classification.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: National Capital Authority resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations (b)	5,046	5,159
Departmental appropriation	17,528	17,351
s74 retained revenue receipts (c)	2,340	2,466
Departmental capital budget (d)	768	618
<i>Total departmental annual appropriations</i>	<i>25,682</i>	<i>25,594</i>
Total departmental resourcing	25,682	25,594
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	2,883	2,945
Administered capital budget (e)	13,805	13,693
<i>Total administered annual appropriations</i>	<i>16,688</i>	<i>16,638</i>
<i>Total administered special appropriations (f)</i>	<i>25</i>	<i>25</i>
Total administered resourcing	16,713	16,663
Total resourcing	42,395	42,257
	2015-16	2016-17
Average staffing level (number)	56	56

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive - these may not match figures in the cash flow statement.

Notes:

- (a) Appropriation Bill (No. 1) 2016-17.
- (b) Includes unspent appropriations available from prior years. Excludes amounts subject to quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (f) For further information on special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

1.3 BUDGET MEASURES

There are no Budget measures relating to the NCA detailed in Budget Paper No. 2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

This table is not provided as there have been no measures since MYEFO for NCA.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for the NCA.

Section 2: Outcomes and planned performance

Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Manage the strategic planning, promotion and enhancement of Canberra as the National Capital for all Australians through the development and administration of the National Capital Plan, operation of the National Capital Exhibition, delivery of education and awareness programs and works to enhance the character of the National Capital.

Budgeted expenses for Outcome 1

This table below shows how much the NCA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: National Capital Functions					
Departmental expenses					
Departmental appropriation	17,528	17,351	17,447	17,647	17,865
s74 retained revenue receipts (a)	2,340	2,466	2,477	2,494	2,494
Expenses not requiring appropriation in the Budget year (b)	1,033	1,033	1,033	1,033	1,033
Total departmental expenses	20,901	20,850	20,957	21,174	21,392
Total expenses for Program 1.1	20,901	20,850	20,957	21,174	21,392
Program 1.2: National Capital Estate					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	2,908	2,970	2,960	2,929	2,954
Expenses not requiring appropriation in the Budget year (c)	21,483	21,643	21,813	21,813	21,813
Total administered expenses	24,391	24,613	24,773	24,742	24,767
Total expenses for Program 1.2	24,391	24,613	24,773	24,742	24,767
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary Annual Services (Appropriation Bill No. 1)	2,908	2,970	2,960	2,929	2,954
Expenses not requiring appropriation in the Budget year (c)	21,483	21,643	21,813	21,813	21,813
Total administered expenses	24,391	24,613	24,773	24,742	24,767
Departmental expenses					
Departmental appropriation	17,528	17,351	17,447	17,647	17,865
s74 retained revenue receipts (a)	2,340	2,466	2,477	2,494	2,494
Expenses not requiring appropriation in the Budget year (b)	1,033	1,033	1,033	1,033	1,033
Total departmental expenses	20,901	20,850	20,957	21,174	21,392
Total expenses for Outcome 1	45,292	45,463	45,730	45,916	46,159

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2015-16	2016-17
Average staffing level (number)	56	56

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Notes:

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) Departmental expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and resources received free of charge.
- (c) Administered expenses not requiring appropriation in the Budget year is made up of depreciation and amortisation expenses and expenses related to the write-down of assets.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016–17 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Manage the strategic planning, promotion and enhancement of Canberra as the National Capital for all Australians through the development and administration of the National Capital Plan, operation of the National Capital Exhibition, delivery of education and awareness programs and works to enhance the character of the National Capital.</p>		
<p>Program 1.1 – Planning and designing areas of special national importance in Canberra, and informing and educating the community about these areas, contributes to Outcome 1 by ensuring that the National Capital is planned and promoted consistent with its enduring national significance.</p>		
<p>Delivery</p>	<p>During 2016-2017 and the forward years the NCA will:</p> <ul style="list-style-type: none"> • develop and implement a comprehensive planning framework for the Australian Capital Territory; • keep the National Capital Plan (the Plan) under constant review and, when required, propose, draft and consult on amendments to the Plan; • assess and manage applications to undertake works in Designated Areas to ensure that they are in accordance with the Plan; • provide, with Ministerial approval, consultancy services either within Australia or overseas; • maintain, manage and promote the use of existing land and property assets; • develop and manage the NCA’s visitor services and attractions; • create and deliver the NCA’s touring exhibitions with an educative focus; and • engage and foster a local awareness of the NCA’s role and responsibilities. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<p>As per 2015-16 PBS</p> <p>The national significance of Canberra is reflected in the National Capital Plan. The key performance indicator (1.1.1) focuses on ensuring development is consistent with the National Capital Plan and assessing applications for works approval in an efficient and effective manner.</p> <p><i>Expected achievement against criterion:</i></p> <p>1.1.1 Percentage of works approval applications assessed against the National Capital Plan within 15 working days.</p> <p>Timely response to maintenance issues is critical to the successful management of assets on National Land. The NCA allocates response time targets based on the urgency of the maintenance issue. Meeting these targets is an indicator of appropriately protecting the National Capital Estate. The key performance indicator (1.1.2) measures the percentage of maintenance issues addressed within the target timeframes.</p>	<p>As per 2015-16 PBS</p> <p><i>Expected achievement against target:</i></p> <p>Target: 90 per cent Achievement: 85 per cent of forecast</p>

Performance information (continued)		
Year	Performance criteria	Targets
2015-16 (continued)	<p><i>Expected achievement against criterion:</i></p> <p>1.1.2 Percentage of building and civil infrastructure maintenance issues resolved within required timeframes.</p> <p>The key performance indicator (1.1.3) measures an increased awareness of the special importance of Canberra as the nation's capital. The awareness level is measured by conducting surveys of visitors touring the NCA's attractions.</p> <p><i>Expected achievement against criterion:</i></p> <p>1.1.3 Percentage of surveyed visitors satisfied with the NCA's attractions.</p>	<p><i>Expected achievement against target:</i></p> <p>Target: 90 per cent Achievement: 90 per cent of forecast</p> <p><i>Expected achievement against target:</i></p> <p>Target: 85 per cent Achievement: 95 per cent of forecast</p>
2016-17	<p>Development is consistent with the National Capital Plan and applications for works are assessed in an efficient and effective manner.</p> <p>1.1.1 Percentage of works approval applications assessed against the National Capital Plan within 15 working days.</p> <p>Timely response to maintenance issues based on urgency.</p> <p>1.1.2 Percentage of building, civil infrastructure National Estate, Lake and Dam maintenance issues resolved within required timeframes.</p> <p>Increased awareness of the special importance of Canberra as the nation's capital.</p> <p>1.1.3 Percentage of surveyed visitors satisfied with the NCA's attractions.</p>	<p>Target: 90 per cent</p> <p>Target: 90 per cent</p> <p>Target: 85 per cent</p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	To fulfil the NCA's statutory functions and purposes and better inform and educate the community about the importance of Canberra as the National Capital.	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 1.1. 		

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.2 – The management and enhancement of national land programme contributes to Outcome 1 by ensuring that national assets are managed and renewed to enhance the character of the National Capital.		
Delivery	During 2016-2017 and the forward years the agency will: <ul style="list-style-type: none"> • develop and renew assets on National Land in accordance with their national significance; • obtain and hold appropriate levels of insurance cover for the main risks associated with assets on National Land; and • implement and manage a robust asset maintenance plan that addresses the severity of asset conditions. 	
Performance information		
Year	Performance criteria	Targets
2015-16	Manage the capital assets through development and renewal in accordance with their national significance. The key performance indicator (1.2.1) measures the achievement against the asset management plan. <i>Expected achievement against criterion:</i> 1.2.1 Percentage of assets identified as requiring capital improvement is addressed against the asset management plan.	<i>Expected achievement against target:</i> Target: 90 per cent Achievement: 80 per cent of forecast
2016-17	Manage the capital assets through development and renewal in accordance with their national significance. 1.2.1 Percentage of assets identified as requiring capital improvement is addressed against the asset management plan.	Target: 90 per cent
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	To facilitate the proper management and enhancement of National Land.	
Material changes to Program 1.2 resulting from the following measures:		
<ul style="list-style-type: none"> • There are no new measures with a material impact on the performance information for Program 1.2. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of the NCA's finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Departmental comprehensive income statement

The NCA is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense, in 2016-17 and the forward years.

Revenue from Government in 2016-17 remains relatively consistent from 2015-16 reflecting decisions of the Government.

Revenue from other sources principally reflects the recovery of costs for the provision of services and rental income. This includes the revised fees for works approval effective 1 December 2015.

Budgeted departmental balance sheet

The reduction in NCA's departmental budgeted net asset position in 2016-17 and forward years is largely due to higher accumulated depreciation expenses on capital assets compared to capital funding received for asset replacement.

Schedule of budgeted income and expenses administered on behalf of Government

In 2016-17 the NCA will receive appropriation of \$2.9m for supplier expenses including the insurance premium for risks associated with assets on National Land and operating expenses associated with the administration of the pay parking program.

Revenue from administered activities primarily includes pay parking revenue, lease revenue on diplomatic land and user charges returned to the Budget.

Schedule of budgeted assets and liabilities administered on behalf of the Government

In 2016-17 the NCA will receive appropriation of \$13.7m for activities it administers on behalf of the Government. This appropriation is directly linked to the administered capital budget and will be used to replace and upgrade existing administered assets.

The reduction in NCA's administered net asset position in 2016-17 and forward years is largely due to higher accumulated depreciation expenses on capital assets compared to capital funding received to replace and upgrade existing assets.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	5,800	5,966	6,129	6,489	6,490
Suppliers	14,115	13,898	13,842	13,699	13,916
Depreciation and amortisation	983	983	983	983	983
Finance costs	3	3	3	3	3
Total expenses	20,901	20,850	20,957	21,174	21,392
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,030	1,140	1,138	1,155	1,155
Rental income	1,310	1,326	1,339	1,339	1,339
Total own-source revenue	2,340	2,466	2,477	2,494	2,494
Gains					
Other	50	50	50	50	50
Total gains	50	50	50	50	50
Total own-source income	2,390	2,516	2,527	2,544	2,544
Net (cost of) / contribution by services	(18,511)	(18,334)	(18,430)	(18,630)	(18,848)
Revenue from Government	17,528	17,351	17,447	17,647	17,865
Surplus (Deficit) attributable to the Australian Government	(983)	(983)	(983)	(983)	(983)
Total comprehensive income (loss) attributable to the Australian Government	(983)	(983)	(983)	(983)	(983)
Note: Impact of net cash appropriation arrangements					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations (a)	983	983	983	983	983
Total comprehensive income (loss) - as per Statement of Comprehensive income	(983)	(983)	(983)	(983)	(983)

Prepared on Australian Accounting Standards basis.

Notes:

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	853	853	853	853	853
Trade and other receivables	4,579	4,579	4,579	4,579	4,579
Total financial assets	5,432	5,432	5,432	5,432	5,432
Non-financial assets					
Land and buildings	10,680	10,514	10,435	10,270	10,111
Property, plant and equipment	1,706	1,608	1,558	1,471	1,384
Intangibles	848	754	684	640	596
Heritage and cultural assets	817	810	807	800	793
Other non-financial assets	83	83	83	83	83
Total non-financial assets	14,134	13,769	13,567	13,264	12,967
Total assets	19,566	19,201	18,999	18,696	18,399
LIABILITIES					
Payables					
Suppliers	225	225	225	225	225
Other payables	3,113	3,113	3,113	3,113	3,113
Total payables	3,338	3,338	3,338	3,338	3,338
Provisions					
Employee provisions	1,151	1,151	1,151	1,151	1,151
Other provisions	60	60	60	60	60
Total provisions	1,211	1,211	1,211	1,211	1,211
Total liabilities	4,549	4,549	4,549	4,549	4,549
Net assets	15,017	14,652	14,450	14,147	13,850
EQUITY					
Contributed equity	7,157	7,775	8,556	9,236	9,922
Reserves	8,780	8,780	8,780	8,780	8,780
Retained surplus / (accumulated deficit)	(920)	(1,903)	(2,886)	(3,869)	(4,852)
Total equity	15,017	14,652	14,450	14,147	13,850

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(920)	8,780	7,157	15,017
Adjusted opening balance	(920)	8,780	7,157	15,017
Comprehensive income				
Surplus / (deficit) for the period	(983)	-	-	(983)
Total comprehensive income	(983)	-	-	(983)
of which:				
Attributable to the Australian Government	(983)	-	-	(983)
Transactions with owners				
<i>Contribution by owners</i>				
Departmental Capital Budget (DCBs)	-	-	618	618
Sub-total transactions with owners	-	-	618	618
Estimated closing balance as at 30 June 2017	(1,903)	8,780	7,775	14,652
Less non-controlling interest	-	-	-	-
Closing balance attributable to the Australian Government	(1,903)	8,780	7,775	14,652

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	17,528	17,351	17,447	17,647	17,865
Sale of goods and rendering of services	2,340	2,466	2,477	2,494	2,494
Total cash received	19,868	19,817	19,924	20,141	20,359
Cash used					
Employees	5,800	5,966	6,129	6,489	6,490
Suppliers	14,068	13,851	13,795	13,652	13,869
Total cash used	19,868	19,817	19,924	20,141	20,359
Net cash from / (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property plant and equipment and intangibles	768	618	781	680	686
Total cash used	768	618	781	680	686
Net cash from / (used by) investing activities	(768)	(618)	(781)	(680)	(686)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	768	618	781	680	686
Total cash received	768	618	781	680	686
Net cash from / (used by) financing activities	768	618	781	680	686
Net increase / (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	853	853	853	853	853
Cash and cash equivalents at the end of the reporting period	853	853	853	853	853

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	768	618	625	680	686
Equity injections - Bill 2	-	-	156	-	-
Total new capital appropriations	768	618	781	680	686
Provided for:					
Purchase of non-financial assets	768	618	781	680	686
Total items	768	618	781	680	686
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	156	-	-
Funded by capital appropriations - DCB	768	618	625	680	686
Total	768	618	781	680	686
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	768	618	781	680	686
Total cash used to acquire assets	768	618	781	680	686

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural assets \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016					
Gross book value	11,293	2,052	841	1,864	16,050
Accumulated depreciation/amortisation and impairment	(613)	(346)	(24)	(1,016)	(1,999)
Opening net book balance	10,680	1,706	817	848	14,051
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services (a)	363	192	15	48	618
Total additions	363	192	15	48	618
Other movements					
Depreciation/amortisation expense	(529)	(290)	(22)	(142)	(983)
Total other movements	(529)	(290)	(22)	(142)	(983)
As at 30 June 2017					
Gross book value	11,656	2,244	856	1,912	16,668
Accumulated depreciation/amortisation and impairment	(1,142)	(636)	(46)	(1,158)	(2,982)
Closing net book balance	10,514	1,608	810	754	13,686

Prepared on Australian Accounting Standards basis.

Notes:

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for DCBs.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	2,908	2,970	2,960	2,929	2,954
Depreciation and amortisation	19,483	19,643	19,813	19,813	19,813
Write-down and impairment of assets	2,000	2,000	2,000	2,000	2,000
Total expenses administered on behalf of Government	24,391	24,613	24,773	24,742	24,767
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	23,327	24,178	24,630	25,097	25,577
Other revenue	60	60	60	60	60
Total non-taxation revenue	23,387	24,238	24,690	25,157	25,637
Total own-source revenues administered on behalf of Government	23,387	24,238	24,690	25,157	25,637
Total own-source income administered on behalf of Government	23,387	24,238	24,690	25,157	25,637
Net (cost of) / contribution by services	(1,004)	(375)	(83)	415	870
Surplus / (Deficit)	(1,004)	(375)	(83)	415	870

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	97	97	97	97	97
Receivables	1,714	1,714	1,714	1,714	1,714
Total financial assets	1,811	1,811	1,811	1,811	1,811
Non-financial assets					
Land and buildings	424,065	423,855	423,650	423,445	423,240
Property, plant and equipment	317,521	310,065	302,451	294,842	287,493
Heritage and cultural assets	43,971	43,700	43,436	43,171	42,906
Intangibles	282	269	255	241	227
Total non-financial assets	785,839	777,889	769,792	761,699	753,866
Total assets administered on behalf of Government	787,650	779,700	771,603	763,510	755,677
LIABILITIES					
Payables					
Suppliers	130	130	130	130	130
Other payables	20,232	20,052	19,872	19,872	19,872
Total payables	20,362	20,182	20,002	20,002	20,002
Total liabilities administered on behalf of Government	20,362	20,182	20,002	20,002	20,002
Net assets / (liabilities)	767,288	759,518	751,601	743,508	735,675

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	23,147	23,998	24,450	25,097	25,577
Net GST received	924	924	924	1,400	1,400
Other	60	60	60	60	60
Total cash received	24,131	24,982	25,434	26,557	27,037
Cash used					
Suppliers	2,908	2,970	2,960	2,929	2,954
Net GST paid	924	924	924	1,400	1,400
Total cash used	3,832	3,894	3,884	4,329	4,354
Net cash from / (used by) operating activities	20,299	21,088	21,550	22,228	22,683
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	13,805	13,693	13,716	13,720	13,980
Total cash used	13,805	13,693	13,716	13,720	13,980
Net cash from / (used by) investing activities	(13,805)	(13,693)	(13,716)	(13,720)	(13,980)
Net increase / (decrease) in cash held	6,494	7,395	7,834	8,508	8,703
Cash and cash equivalents at beginning of reporting period	97	97	97	97	97
Cash from Official Public Account for: - Appropriations	16,713	16,663	16,676	16,649	16,934
	16,713	16,663	16,676	16,649	16,934
Cash to Official Public Account for: - Appropriations	(23,207)	(24,058)	(24,510)	(25,157)	(25,637)
	(23,207)	(24,058)	(24,510)	(25,157)	(25,637)
Cash and cash equivalents at end of reporting period	97	97	97	97	97

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act 1 (ACB)	13,805	13,693	13,716	13,720	13,980
Total new capital appropriations	13,805	13,693	13,716	13,720	13,980
Provided for:					
Purchase of non-financial assets	13,805	13,693	13,716	13,720	13,980
Total items	13,805	13,693	13,716	13,720	13,980
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB	13,805	13,693	13,716	13,720	13,980
Total	13,805	13,693	13,716	13,720	13,980
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	13,805	13,693	13,716	13,720	13,980
Total cash used to acquire assets	13,805	13,693	13,716	13,720	13,980

Prepared on Australian Accounting Standards basis.

Table 3.11: Schedule of administered asset movements (Budget year 2016-17)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016						
Gross book value	407,499	17,363	338,552	44,997	422	808,833
Accumulated depreciation/amortisation	-	(797)	(21,031)	(1,026)	(140)	(22,994)
Opening net book balance	407,499	16,566	317,521	43,971	282	785,839
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation ordinary annual services (a)	-	479	12,571	612	31	13,693
Total additions	-	479	12,571	612	31	13,693
Other movements						
Depreciation/amortisation expense	-	(689)	(18,027)	(883)	(44)	(19,643)
Other	-	-	(2,000)	-	-	(2,000)
Total other movements	-	(689)	(20,027)	(883)	(44)	(21,643)
As at 30 June 2017						
Gross book value	407,499	17,842	349,123	45,609	453	820,526
Accumulated depreciation/amortisation	-	(1,486)	(39,058)	(1,909)	(184)	(42,637)
Closing net book balance	407,499	16,356	310,065	43,700	269	777,889

Prepared on Australian Accounting Standards basis.

Notes:

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for ACBs.

National Transport Commission

Entity resources and planned performance

National Transport Commission

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NATIONAL TRANSPORT COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Transport Commission (NTC) was established in 2003 with ongoing responsibility to develop, monitor and maintain uniform or nationally consistent regulatory and operational reforms relating to road, rail and intermodal transport. It performs the role of an expert adviser to the Transport and Infrastructure Council (the Council) on national regulatory reform development, implementation and evaluation in the Australian land transport sector. The Australian Government is the host jurisdiction responsible for the NTC as a statutory body established under Commonwealth law.

The Council, a ministerial council formed by the Council of Australian Governments, is responsible for the NTC, as an inter-governmental agency covered by the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport (the IGA).

The Council agrees the four-year corporate plan, prepared under section 35 of the *Public Governance, Performance and Accountability Act 2013* and aligned with this Budget statement.

The NTC also develops a strategic plan. The strategic plan drives the NTC's work program, constituting a mix of Council of Australian Governments' (COAG) priority reforms, existing Council reforms and IGA requirements. The NTC's work program and agenda can change each year based on the direction of the Council and COAG.

Over the years, the NTC's work has evolved to meet changing transport reform needs, from technical alignment of regulation to more sophisticated risk-based reform as part of an integrated and coordinated national policy response. The NTC's mandate has been expanded to specifically include enhanced evaluation of existing reforms and improved implementation planning for new reforms. This will increase the likelihood of reform outcomes being achieved, and escalate any remedial actions required to Council for consideration.

The NTC works collaboratively with governments and industry stakeholders to improve the transport system. In developing reforms, the NTC engages extensively with affected stakeholders in the transport sector which includes jurisdictional road and transport entities, regulatory bodies and entities, transport industry groups and associations, operators and businesses, unions and community groups. Through this engagement, the NTC develops a fuller understanding of the challenges stakeholders face and the potential/likely impacts of reforms on the ground.

The NTC's work program 2016–2020 responds to the recommendations of the *2015 Review of the NTC* and is the result of the transparent, repeatable and inclusive strategic planning and work program development process undertaken by the NTC. The process included extensive and ongoing engagement with government, industry and organisations/associations through planning and prioritisation workshops and meetings held between August 2015 and February 2016. Agreed priorities are based on the delivery of COAG and Council reform projects that will deliver the most effective national regulatory and operational reforms. The NTC's work program is very much centred on its core business of delivering on major national reform priorities and ensuring implemented reforms are effective.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NTC for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for the NTC's operations) classification.

Information in this table is presented on a resourcing (i.e. appropriations / cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: National Transport Commission resource statement - Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	2,286	1,857
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	3,301	3,358
<i>Total annual appropriations</i>	3,301	3,358
Total funds from Government	3,301	3,358
Funds from other sources		
Interest	36	40
Sale of goods and services	6,130	6,236
Total funds from other sources	6,166	6,276
Total net resourcing	11,753	11,491
	2015-16	2016-17
Average staffing level (number)	39	39

Prepared on a resourcing (i.e. appropriations available) basis. All figures shown are GST exclusive - these may not match figures in the cash flow statement.

The NTC is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure and Regional Development, which are then paid to NTC and are considered 'departmental' for all purposes.

Notes:

(a) Appropriation Bill (No. 1) 2016-17.

1.3 BUDGET MEASURES

There are no Budget measures relating to the NTC detailed in Budget Paper No. 2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

This table is not provided as there have been no measures since MYEFO for the NTC.

Part 2: Other measures not previously reported in a portfolio statement

This table is not provided as there are no other measures not previously reported in a portfolio statement for the NTC.

Section 2: Outcomes and planned performance

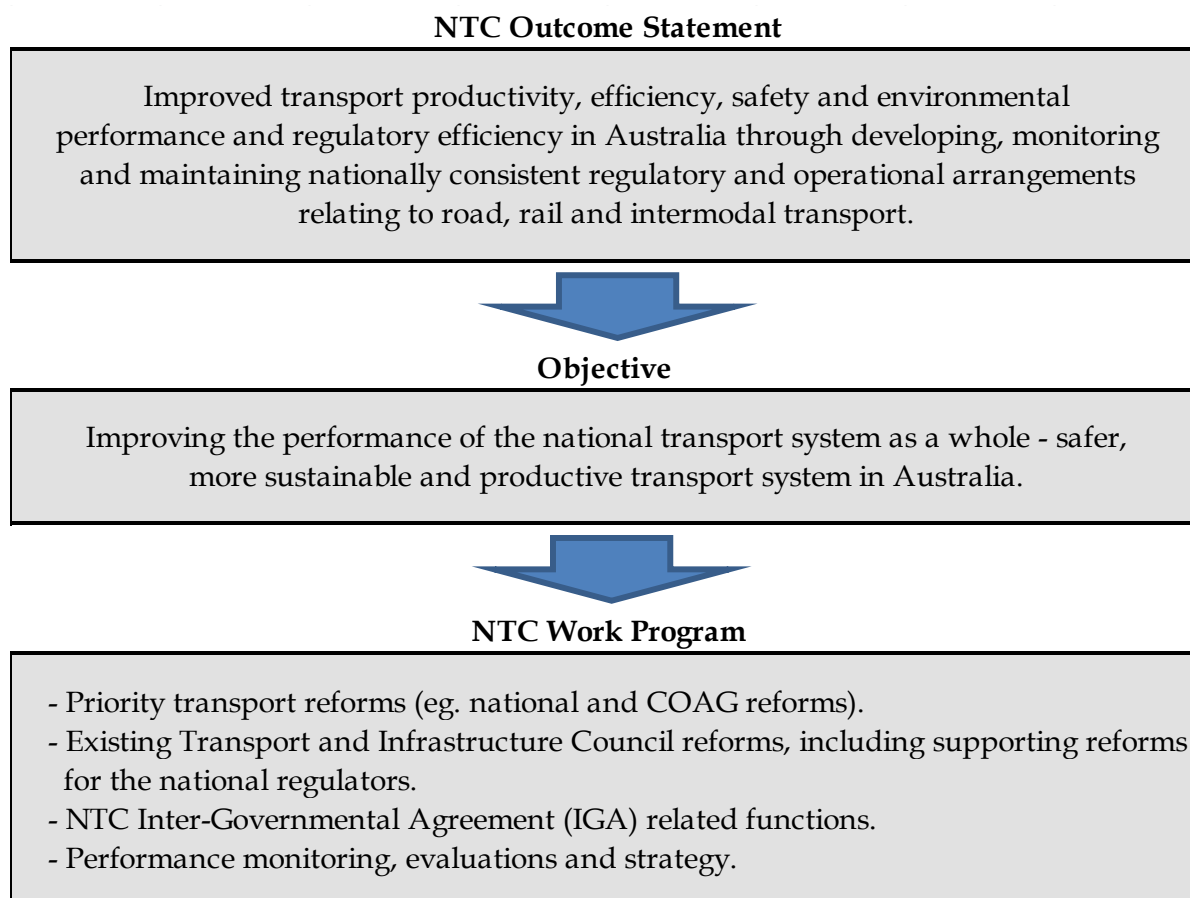
Australian Government outcomes are the intended results, impacts or consequences of actions by the Australian Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Australian Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

Figure 2.1: The NTC's Outcome Statement, Objective and Work Program



2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.

Budgeted expenses for Outcome 1

This table below shows how much the NTC intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: National Transport Commission					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	3,301	3,358	3,440	3,523	3,609
Revenues from other independent sources	6,166	6,276	6,424	6,578	6,737
Expenses not requiring appropriation in the Budget year (a)	350	-	-	-	-
Total expenses for Program 1.1	9,817	9,634	9,864	10,101	10,346
Outcome 1 Totals by appropriation type					
Revenue from Government					
Ordinary Annual Services (Appropriation Bill No. 1)	3,301	3,358	3,440	3,523	3,609
Revenues from other independent sources	6,166	6,276	6,424	6,578	6,737
Expenses not requiring appropriation in the Budget year (a)	350	-	-	-	-
Total expenses for Outcome 1	9,817	9,634	9,864	10,101	10,346
	2015-16	2016-17			
Average staffing level (number)	39	39			

Notes:

- (a) Expenses not requiring appropriation in the Budget year is made up of the operating result and the timing of accruals.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016–17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved transport productivity, efficiency, safety and environmental performance and regulatory efficiency in Australia through developing, monitoring and maintaining nationally consistent regulatory and operational arrangements relating to road, rail and intermodal transport.		
Program 1.1 – To develop, monitor and maintain land transport reforms as outlined in the ‘NTC Work Program 2016-2020’ subject to approval by transport and infrastructure ministers.		
Delivery	The work program is delivered consistent with key performance criteria and targets.	
Performance information		
Year	Performance criteria	Targets
2015-16	<ol style="list-style-type: none"> Percentage of projects delivered on time and to budget each financial year. Expected achievement: refer to target Percentage of reform projects on the work program that are due to be presented to the Transport and Infrastructure Senior Officials’ Committee (TISOC) and/or the Council for consideration each financial year. Expected achievement: refer to target 	<ol style="list-style-type: none"> At least 90 per cent. Expected achievement: 90 per cent At least 80 per cent. Expected achievement: 80 per cent
2016-17	<ol style="list-style-type: none"> Percentage of projects delivered on time and to budget each financial year. Percentage of reform projects on the work program that are due to be presented to TISOC and/or the Council for consideration each financial year. Key stakeholder satisfaction with NTC’s engagement and performance, including the quality of our products, via annual survey. 	<ol style="list-style-type: none"> At least 90 per cent. At least 80 per cent. Key stakeholder satisfaction is overall positive (a rating of greater than 6 out of 10).
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	<ol style="list-style-type: none"> Develop and propose changes to national law, model law and other related instruments and guidelines to improve transport productivity, efficiency, safety, environmental performance and regulatory efficiency; and Maintain and monitor those reforms agreed by Council. 	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none"> There are no new measures with a material impact on the performance information for Program 1.1. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NTC's finances for the 2016–17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

The NTC's primary source of income is funding provided by Commonwealth, States and Territories on an annual basis, apportioned by an agreed percentage allocation as outlined within the NTC's IGA. Annual funding is increased by index (forward CPI) each year to support the NTC's work program portfolio.

Under the NTC Act, funding for the Commission is to be applied only in payment or discharge of the costs, expenses and other obligations incurred by the Commission in the performance of its functions and the exercise of its powers.

Each year, the Commission must prepare estimates, in accordance with the Council directions, of the Commission's receipts and expenditure for each financial year and, if the Council so directs, for any other period specified by the Council. The Commission must submit estimates so prepared to the Council no later than such a date as the Council directs. Except with the consent of the Council, the funding of the Commission must not be spent otherwise than in accordance with the corporate plan and work program provided annually. On this basis, the NTC's forward estimate may change yearly based on directions from the Council.

Budgeted departmental balance sheet

The NTC's balance sheet is simple in structure and classification. Assets are largely comprised of cash and office plant and equipment, while liabilities are payables (to suppliers) and employee provision (staff entitlements).

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	5,786	6,143	6,180	6,212	6,384
Suppliers	3,810	3,291	3,484	3,689	3,868
Depreciation and amortisation	221	200	200	200	94
Total expenses	9,817	9,634	9,864	10,101	10,346
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	36	40	35	35	35
Other (a)	6,130	6,236	6,389	6,543	6,702
Total own-source revenue	6,166	6,276	6,424	6,578	6,737
Total own-source income	6,166	6,276	6,424	6,578	6,737
Net (cost of) / contribution by services	(3,651)	(3,358)	(3,440)	(3,523)	(3,609)
Revenue from Government	3,301	3,358	3,440	3,523	3,609
Surplus / (Deficit) attributable to the Australian Government	(350)	-	-	-	-
Total comprehensive income / (loss) attributable to the Australian Government	(350)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Notes:

(a) Relates to funding provided by States and Territories.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,857	1,757	1,707	1,907	1,601
Trade and other receivables	74	74	74	74	74
Total financial assets	1,931	1,831	1,781	1,981	1,675
Non-financial assets					
Land and buildings	269	229	189	149	303
Property, plant and equipment	449	589	679	519	671
Other non-financial assets	80	80	80	80	80
Total non-financial assets	798	898	948	748	1,054
Total assets	2,729	2,729	2,729	2,729	2,729
LIABILITIES					
Payables					
Suppliers	68	68	68	68	68
Other payables	242	242	242	242	242
Total payables	310	310	310	310	310
Provisions					
Employee provisions	789	789	789	789	789
Total provisions	789	789	789	789	789
Total liabilities	1,099	1,099	1,099	1,099	1,099
Net assets	1,630	1,630	1,630	1,630	1,630
EQUITY					
Reserves	119	119	119	119	119
Retained surplus / (accumulated deficit)	1,511	1,511	1,511	1,511	1,511
Total equity	1,630	1,630	1,630	1,630	1,630

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Opening balance as at 1 July 2016			
Balance carried forward from previous period	1,511	119	1,630
Adjusted opening balance	1,511	119	1,630
Comprehensive income			
Surplus / (deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2017	1,511	119	1,630
Closing balance attributable to the Australian Government	1,511	119	1,630

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,301	3,358	3,440	3,523	3,609
Interest	36	40	35	35	35
Other	6,130	6,236	6,389	6,543	6,702
Total cash received	9,467	9,634	9,864	10,101	10,346
Cash used					
Employees	5,786	6,143	6,180	6,212	6,384
Suppliers	3,810	3,291	3,484	3,689	3,868
Total cash used	9,596	9,434	9,664	9,901	10,252
Net cash from / (used by) operating activities	(129)	200	200	200	94
INVESTING ACTIVITIES					
Cash used					
Purchase of property plant and equipment and intangibles	300	300	250	-	400
Total cash used	300	300	250	-	400
Net cash from / (used by) investing activities	(300)	(300)	(250)	-	(400)
Net increase / (decrease) in cash held	(429)	(100)	(50)	200	(306)
Cash and cash equivalents at the beginning of the reporting period	2,286	1,857	1,757	1,707	1,907
Cash and cash equivalents at the end of the reporting period	1,857	1,757	1,707	1,907	1,601

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	300	300	250	-	400
Total	300	300	250	-	400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	300	300	250	-	400
Total cash used to acquire assets	300	300	250	-	400

Prepared on Australian Accounting Standards basis.

Notes:

(a) Includes funding from entity receipts, and proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Buildings \$'000	Property plant and equipment \$'000	Total \$'000
As at 1 July 2016			
Gross book value	1,107	1,455	2,562
Accumulated depreciation/amortisation and impairment	(838)	(1,006)	(1,844)
Opening net book balance	269	449	718
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	-	300	300
Total additions	-	300	300
Other movements			
Depreciation/amortisation expense	(40)	(160)	(200)
Total other movements	(40)	(160)	(200)
As at 30 June 2017			
Gross book value	1,107	1,755	2,862
Accumulated depreciation/amortisation and impairment	(878)	(1,166)	(2,044)
Closing net book balance	229	589	818

Prepared on Australian Accounting Standards basis.

GLOSSARY

Activities	The actions/functions performed by entities to deliver government policies.
Actual Available Appropriation	The Actual Available Appropriation indicates the total appropriations available to the entity for 2015–16 as at the 2016–17 Budget. It includes all appropriations made available to the entity in the year (+/- section 75 transfers, formal reductions, Advance to the Minister for Finance, movements of funds and other quarantines). It is the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Additional Estimates	Appropriation Bills that seek appropriation authority from Parliament for the additional expenditure of money from the Consolidated Revenue Fund (CRF), in order to meet requirements that have arisen since the last Budget. Further annual appropriation Bills can be introduced during the year if required. These Bills are called the Additional Estimates Appropriation Bills (after Mid-Year Economic and Fiscal Outlook (MYEFO)) or Supplementary Additional Estimates Appropriation Bills (at the same time as bills for the next budget).
Administered Item	Items administered by the entity on behalf of the Commonwealth. They are amounts required to meet the total estimated expenses for administered activities that are expected to be incurred.
Annual Appropriation	Annual Appropriation Acts provide annual funding for government operations and programs and also for investment in assets or to reduce liabilities. Bills proposing appropriations for the forthcoming financial year are introduced into Parliament on budget night and, when passed, fund approximately 20 per cent of all government expenditure for the year.
Appropriation	A law of the Commonwealth Parliament that provides authority to draw money from the CRF. An appropriation authorises expenditure for a specified purpose. The Commonwealth cannot spend money without an appropriation authorising that expenditure (and, in some cases, legislation other than an appropriation may be required to authorise the relevant expenditure).
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information on the economic and fiscal outlook for the Australian Government, including information on the government's fiscal strategy.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each Budget measure (revenue, expense and capital) by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories and local government.

Glossary

Budget Paper 4 (BP4)	Agency Resourcing. Contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing).
Central Entities	Refers to the Department of the Prime Minister and Cabinet, the Department of the Treasury, and the Department of Finance.
Consolidated Revenue Fund (CRF)	The CRF is established by section 81 of the Constitution and consists of all revenues and moneys raised or received by the executive government of the Commonwealth. The CRF is self-executing in nature, which means that all money forms part of the CRF automatically upon receipt by the Commonwealth.
Department Capital Budget	Departmental (or Administered) Capital Budget (DCB/ACB) are provided to non-corporate Entities (as an equity injection) that receive government funding to meet the costs associated with the replacement of minor assets (assets valued at \$10 million or less) or maintenance costs that are eligible to be capitalised. The funding for depreciation, amortisation and make-good expenses was replaced with a DCB in the 2010–11 Budget.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that the entity's Accountable Authority controls directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Entities	Commonwealth entities and Commonwealth companies as defined under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) that are within the General Government Sector (GGS); the High Court of Australia; and the Future Fund Board of Guardians.
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not end until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. Australian National Audit Office (ANAO) audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Forward Estimates Period	The three years following the Budget year. For example, if 2016–17 is the Budget year, 2017–18 is forward year 1, 2018–19 is forward year 2 and 2019–20 is forward year 3. This period does not include the current financial (2015–16) or the Budget year.

General Government Sector (GGS)	A Government Finance Statistics (GFS) classification of all entities that are controlled and largely funded by the Australian Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Government Finance Statistics (GFS)	A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's Budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
National Partnership payments	Under subsection 16(1) of the <i>Federal Financial Relations Act 2009</i> (FFR Act), the Minister may determine that an amount specified in the determination is to be paid to a State specified in the determination for the purpose of making a grant of financial assistance to support the delivery by the State of specified outputs or projects; or facilitate reforms by the State; or reward the State for nationally significant reforms.
Official Public Account (OPA)	The Commonwealth's central bank account. The OPA is one of a group of linked bank accounts, referred to as the Official Public Account Group of Accounts. OPAs are maintained with the Reserve Bank of Australia, as required by subsection 53(3) of the PGPA Act.
Outcomes	The results, impacts or consequences of actions by the Australian Government on the Australian community that the government wishes to achieve. For reporting purposes, outcomes equate to major activities in AASB 1052 (section 20).
Portfolio Budget Statements (PB Statements)	Budget related paper detailing Budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.

Glossary

Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity's running costs allocated to a program. This is funded through an entity's departmental appropriations.
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act)</i>	The PGPA Act replaced the <i>Financial Management and Accountability Act 1997 (FMA Act)</i> and the <i>Commonwealth Authorities and Companies Act 1997 (CAC Act)</i> on 1 July 2014. As the primary piece of Commonwealth resource management legislation, the PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. It applies to all Commonwealth entities and Commonwealth companies.
Special Account	A type of special appropriation, which can only be established by a written determination of the Finance Minister (section 78 of the PGPA Act) or through an Act of Parliament (section 80 of the PGPA Act). Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account.
Special Appropriations (including Standing Appropriations)	<p>Authority within an Act (other than the annual Appropriation Acts) to spend money from the CRF for particular purposes. For special appropriations, the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations - the amount appropriated will depend on circumstances specified in the legislation.</p>
Underlying cash balance	A cash measure that shows whether the government has to borrow from financial markets to cover its activities. Underlying cash balance equals operating receipts, less operating payments, less investment in non-financial assets, less Future Fund receipts.

ABBREVIATIONS

AA	Airservices Australia
AAS	Australian Accounting Standards
AC	Companion of the Order of Australia
ACB	Administered Capital Budget
ACT	Australian Capital Territory
ADRs	Australian Design Rules
AGIE	Australian Government Indigenous Expenditure
AM	Member of the Order of Australia
AMSA	Australian Maritime Safety Authority
AMSA Act	<i>Australian Maritime Safety Authority Act 1990</i>
ANCAP	Australasian New Car Assessment Program
ASIC	Australian Security Identification Card
ATSB	Australian Transport Safety Bureau
AVID	Aviation Verification of Identity
BAF	Building Australia Fund
BITRE	Bureau of Infrastructure, Transport and Regional Economics
BP1	Budget Paper 1
BP2	Budget Paper 2
BP3	Budget Paper 3
BP4	Budget Paper 4
CAC Act	<i>Commonwealth Authorities and Companies Act, 1997</i>
CASA	Civil Aviation Safety Authority
COAG	Council of Australian Governments
CPI	Consumer Price Index
CRF	Consolidated Revenue Fund
CRIS	Cost Recovery Implementation Statement
DCB	Departmental Capital Budget
the Department	The Department of Infrastructure and Regional Development

Abbreviations

FMA Act	<i>Financial Management and Accountability Act, 1997</i>
GGs	General Government Sector
GFS	Government Finance Statistics
GST	Goods and Services Tax
Hon	Honourable
IA	Infrastructure Australia
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities
IGA	Inter-Governmental Agreement
IRT Act	<i>Interstate Road Transport Act, 1985</i>
KPA	Key performance areas
KPI	Key performance indicators
MH370	Malaysian Airlines Flight 370
MOU	Memorandum of Understanding
MP	Member of Parliament
MYEFO	Mid-Year Economic and Fiscal Outlook
na	not applicable
NBF Act	<i>Nation-building Funds Act 2008</i>
NCA	National Capital Authority
nfp	not for publication
No.	Number
NSW	New South Wales
NT	Northern Territory
NTC	National Transport Commission
OECD	Organisation for Economic Cooperation and Development
PALM Act	<i>Australian Capital Territory (Planning and Land Management) Act, 1988</i>
PB Statements	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PPPs	Public Private Partnerships
PSL	Protection of the Sea Levy

PSM	Public Service Medal
RAAP	Remote Aviation Access Program
RASS	Remote Air Services Subsidy
the Treasury	The Department of the Treasury
TISOC	Transport and Infrastructure Senior Officials' Committee

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